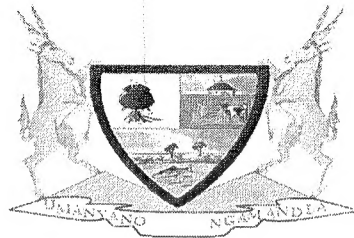


ANNUAL BUDGET OF
MBIZANA LOCAL
MUNICIPALITY



2014/15 TO 2016/17
MEDIUM TERM REVENUE AND
EXPENDITURE FORECASTS

Copies of this document can be viewed:

- **In the mayor's office, and office of the Municipal Manager**
- **Municipal library**
- **At www.mbizana.gov.za**

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Abbreviations and Acronyms

AMR	Automated Meter Reading	ℓ	litre
ASGISA	Accelerated and Shared Growth Initiative	LED	Local Economic Development
BPC	Budget Planning Committee	MEC	Member of the Executive Committee
CBD	Central Business District	MFMA	Municipal Financial Management Act Programme
CFO	Chief Financial Officer	MIG	Municipal Infrastructure Grant
CM	City Manager	MMC	Member of Mayoral Committee
CPI	Consumer Price Index	MPRA	Municipal Properties Rates Act
CRRF	Capital Replacement Reserve Fund	MSA	Municipal Systems Act
DBSA	Development Bank of South Africa	MTEF	Medium-term Expenditure Framework
DoRA	Division of Revenue Act	MTREF	Medium-term Revenue and Expenditure Framework
DWA	Department of Water Affairs	NERSA	National Electricity Regulator South Africa
EE	Employment Equity	NGO	Non-Governmental organisations
EEDSM	Energy Efficiency Demand Side Management	NKPIs	National Key Performance Indicators
EM	Executive Mayor	OHS	Occupational Health and Safety
FBS	Free basic services	OP	Operational Plan
GAMAP	Generally Accepted Municipal Accounting Practice	PBO	Public Benefit Organisations
GDP	Gross domestic product	PHC	Provincial Health Care
GDS	Gauteng Growth and Development Strategy	PMS	Performance Management System
GFS	Government Financial Statistics	PPE	Property Plant and Equipment
GRAP	General Recognised Accounting Practice	PPP	Public Private Partnership
HR	Human Resources	PTIS	Public Transport Infrastructure System
HSRC	Human Science Research Council	RG	Restructuring Grant
IDP	Integrated Development Strategy	RSC	Regional Services Council
IT	Information Technology	SALGA	South African Local Government Association
kℓ	kilolitre	SAPS	South African Police Service
km	kilometre	SDBIP	Service Delivery Budget Implementation Plan
KPA	Key Performance Area	SMME	Small Micro and Medium Enterprises
KPI	Key Performance Indicator		
kWh	kilowatt		

Part 1 – Annual Budget

1.1 Mayor's Report

The Mbizana Local Municipality is in the process of compiling the 2014/15 Annual Budget and the Medium Term and Revenue Framework. A process plan was developed and approved by the council that states the dates and milestones that need to be achieved. The Draft Annual budget and the MTREF was tabled to the council on March 31, 2014. This was at a point where the Mayor is required to table the draft budget as required by the Municipal Finance Management Act No. 56 of 2003, which states that the mayor must table the draft budget at 90 days before the start of a financial year. We are currently at a stage where we must table the IDP, the budget and the budget related policies to the council for adoption at least 30 days before the start of the financial year.

A number of considerations were given in compiling this annual budget, after a number of processes and engagements between the management, Executive Committee, the Council and the communities. These include amongst others:-

- A development of a turnaround strategy for the municipality, which would see the state of the municipality turned around for the better.
- A strategic planning session that set out a way forward for the improvement of service delivery to the people.
- There were IDP and Budget road shows to all the communities of Mbizana to solicit views and comments on the Budget and IDP so that all of these are considered by the council when the adoption is done.

After the IDP and Budget Road shows, various comments were received but the major adjustments that resulted from these relate to the maintenance of internal roads in town, the improvement of the storm water drainage in town and the upgrading of the electricity infrastructure and meter management in town. The following budgets were therefore made available:-

	Project Name	Amount
1.	Storm Water Drainage in town	R2,500,000.00
2.	Bizana Asphalt Phase 2	R5,000,000.00
3.	Electricity Infrastructure Upgrade	R4,000,000.00
4.	Installation of Split Meters	R2,500,000.00
5.	CBD Road Maintenance	R2,000,000.00

It is common knowledge that service delivery is the key to the existence of this municipality and we have in the recent past experienced a number of service delivery protests, which speaks directly to the fact that service delivery to the people needs to be accelerated for the

improvement of the livelihoods of all communities in our municipality. Our budget must therefore address these service delivery imperatives.

Electrification of villages has become one of the highest priorities of our communities and as such should be addressed by this budget. A detail will be given in this report that an amount of R69 million has been set aside in the 2014/15 financial year for electrification. R45 million of this is to be received as a frontloading agreement from the DBSA. This will result in more than 4900 household connections in various wards in the municipality.

As well the council will receive grant funding for the Municipal Infrastructure Grant to an amount of more than R44 millions. This will see construction of roads and other infrastructure and thereby improving the lives of our people.

The maintenance of road infrastructure is important to ensuring that there is access to all wards in the municipality. R15 million has been set aside for the maintenance of roads for the 2014/15 financial period.

The infrastructure development that is mentioned above also addresses some of the political priorities that include rural development and creation of employment. Almost all of our Municipal Infrastructure Grant is allocated to the rural areas and therefore this attends to the issue of rural development in our municipality. These infrastructure developments are labour intensive, and as such there is a creation of a vast number of jobs for the poor communities that we find in and around our municipality.

It was resolved by Council in the previous financial years that there should be a stand alone department called Development Planning. This would deal with local economic development, planning and land use management issues. This department has now been established and as such this budget reflects that.

These municipal imperatives cannot be realised without the operational issues being dealt with. This budget looks into the provision personnel resources that will ensure that service delivery to the people is speeded up. This calls for the review of the current organisational structure which should be able to carry out the objectives that the municipality wants to achieve. The process of the review of the organisational structure is on-going. This means that some of the positions that have been agreed upon are budgeted in the tabled budget.

This is coupled with the provision of all other requirements that will ensure that there is smooth running of the municipality. This would include the provision of stationery, telephone, furniture and IT equipment and software. These ensure that the recruited personnel are able to function optimally.

1.2 Council Resolutions

The Council of Mbizana Local Municipality sat to consider the annual budget tabled by the Mayor at least 90 days before the start of the financial year 2014/15 and the Medium Term Revenue and Expenditure Framework. This was done on March 31, 2014 as indicated earlier. The council must then consider the following resolutions which will become final when the budget is adopted.

1. The Council of Mbizana Local Municipality, acting in terms of section 24 of the Municipal Finance Management Act, (Act 56 of 2003) approves and adopts:
 - 1.1. The annual budget of the municipality for the financial year 2014/15 and the multi-year and single-year capital appropriations as set out in the following tables:
 - 1.1.1. Budgeted Financial Performance (revenue and expenditure by standard classification) as set out in Table 12;
 - 1.1.2. Budgeted Financial Performance (revenue and expenditure by municipal vote) as set out in Table 13;
 - 1.1.3. Budgeted Financial Performance (revenue by source and expenditure by type) as set out in Table 14; and
 - 1.1.4. Multi-year and single-year capital appropriations by municipal vote and standard classification and associated funding by source as set out in Table 15.
 - 1.2. The financial position, cash flow budget, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets are approved as set out in the following tables:
 - 1.2.1. Budgeted Financial Position as set out in Table 16;
 - 1.2.2. Budgeted Cash Flows as set out in Table 17;
 - 1.2.3. Cash backed reserves and accumulated surplus reconciliation as set out in Table 18;
 - 1.2.4. Asset management as set out in Table 19; and
 - 1.2.5. Basic service delivery measurement as set out in Table 20.
2. The Council of Mbizana Local Municipality, acting in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves and adopts with effect from 1 July 2014:
 - 2.1. the tariffs for property rates
 - 2.2. the tariffs for electricity
 - 2.3. the tariffs for solid waste
3. The Council of Mbizana Local Municipality, acting in terms of 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves and adopts with effect from 1 July 2014 the tariffs for other services.

4. To give proper effect to the municipality's annual budget, the Council of Mbizana Local Municipality approves:
 - 4.1. That cash backing is implemented through the utilisation of a portion of the revenue generated from property rates to ensure that all capital reserves and provisions, unspent long-term loans and unspent conditional grants are cash backed.
 - 4.2. That the municipality be permitted to enter into long-term loans for the funding of the capital programmes in respect of the 2014/15 financial year limited to an amount of per financial year of the MTREF in terms of Section 46 of the Municipal Finance Management Act.
 - 4.3. That the Accounting Officer be authorised to sign all necessary agreements and documents to give effect to the above lending programme.

1.3 Executive Summary

The application of sound financial management principles for the compilation of the Municipality's financial plan is essential and critical to ensure that the Municipality remains financially viable and that municipal services are provided sustainably, economically and equitably to all communities.

The municipality has been in an unfortunate situation of receiving negative audit opinions for the previous few years, with the previous year, 2012/13 being an adverse opinion and 2011/12 being a disclaimer. This budget is compiled such that these occurrences are not repeated and that there are enough resources to ensure that all possible strategies are embarked upon.

Although the Mbizana Local Municipality has received these negative opinions, it has prided itself with some of the service delivery achievements that it has managed. This includes the electrification of a number of villages like Mathwebu, Ngqubushini and Tsawana.

A number of other infrastructure projects have been completed in the 2013/14 financial year but the list is not exhaustive. These are:-

- ✓ Ward 11 and Ward 23 Community Halls
- ✓ Sirhasheni Access Road
- ✓ Mahaha to Mdatya Access Road
- ✓ Mchitha Access Road
- ✓ Mqonjwana Access Road
- ✓ Mngomanzi Bridge and Access Road

The Municipality embarked on a number of initiatives that would ensure that the situation in which the municipality finds itself is turned around. The primary objective of these initiatives was to look at expediting on the projects that have the ability to change the lives of the communities, but as well to ensure that there is sound financial management and accountability within the municipal administration.

National Treasury's MFMA Circular No. 70; 72 and prior budget circulars were used to guide the compilation of the 2014/15 MTREF.

The main challenges experienced during the compilation of the 2014/15 MTREF can be summarised as follows:

- The ongoing difficulties in the national and local economy;
- Aging and poorly maintained, roads and electricity infrastructure;
- The need to reprioritise projects and expenditure within the existing resource envelope given the cash flow realities;
- The increased cost of bulk electricity (due to anticipated tariff increases by Eskom), which is placing upward pressure on service tariffs to residents. Continuous high tariff increases are not sustainable - as there will be point where services will no-longer be affordable. This is also coupled with the losses that we continue to experience in the distribution of electricity and the link line that is not capable to carry the load of the town area;
- Wage increases for municipal staff that continue to exceed consumer inflation, as well as the need to fill critical vacancies; and
- Availability of affordable capital/borrowing, this is despite the fact that we have approached the Development Bank of Southern Africa for a frontloading agreement.

The following budget principles and guidelines directly informed the compilation of the 2014/15 MTREF:

- The 2013/14 Adjustments Budget priorities and targets, as well as the base line allocations contained in that Adjustments Budget were adopted as the upper limits for the new baselines for the 2014/15 annual budget;
- Intermediate service level standards were used to inform the measurable objectives, targets and backlog eradication goals;
- Tariff and property rate increases should be affordable and should generally not exceed inflation as measured by the CPI, except where there are price increases in the inputs of services that are beyond the control of the municipality, for instance the cost of bulk electricity. In addition, tariffs need to remain or move towards being cost reflective, and should take into account the need to address infrastructure backlogs;
- There will be no budget allocated to national and provincial funded projects unless the necessary grants to the municipality are reflected in the national and provincial budget and have been gazetted as required by the annual Division of Revenue Act;

In view of the aforementioned, the following table is a consolidated overview of the proposed 2014/15 Medium-term Revenue and Expenditure Framework:

Table 1 Consolidated Overview of the 2014/15 MTREF

MBIZANA LOCAL MUNICIPALITY						
FINAL BUDGET SUMMARY BY SOURCE AND EXPENDITURE BY TYPE						
May-14						
REVENUE						
TYPE	2012/13 AUDITED OUTCOME	ORIGINAL BUDGET	ADJUSTED BUDGET	2014/15 BUDGET	2015/16 BUDGET	2016/17 BUDGET
Property Rates	7 379 666,24	12 673 801,00	11 441 169,00	15 000 000,00	15 900 000,00	16 845 000,00
Service Charges - Electricity	15 115 789,81	31 042 851,00	31 042 851,00	33 327 582,00	35 780 594,00	38 414 290,00
Service Charges - Refuse	984 743,00	888 991,00	887 871,00	1 200 000,00	1 272 000,00	1 348 320,00
Service Charges - Other	7 831,00	10 560,00	10 560,00	11 194,00	11 865,00	12 577,00
Agency Services	586 835,08	628 907,00	628 907,00	848 631,00	899 549,00	953 521,00
Rental of Facilities & Equipment	847 381,99	687 837,00	687 837,00	729 107,00	773 854,00	819 225,00
Fines	217 571,93	388 785,00	367 680,00	527 400,00	559 045,00	592 587,00
Licences & Permits	1 143 597,71	1 476 037,00	1 476 037,00	2 333 303,00	2 473 301,00	2 621 699,00
Interest Earned - External Investments	4 827 019,92	4 090 268,00	4 090 268,00	5 026 268,00	5 327 844,00	5 647 515,00
Interest Earned - Outstanding Debtors	363 601,78	91 832,00	91 832,00	97 342,00	103 182,00	109 373,00
Loan Advance	0,00	0,00	0,00	45 000 000,00		
Grants & Subsidies Rec'd - Operational	109 206 919,20	129 767 000,00	130 812 857,00	151 396 600,00	187 244 800,00	187 249 650,00
Grants & Subsidies Rec'd - Capital	64 201 983,25	60 297 000,00	64 397 000,00	67 142 400,00	80 855 200,00	76 790 350,00
Gains on Disposal of PPE	0,00	0,00	0,00			
Other Revenue	423 945,01	13 678 181,00	51 526 633,00	1 172 042,00	1 242 365,00	1 316 906,00
From Own Reserves				50 827 708,00		
TOTAL	205 306 885,92	255 722 050,00	297 461 502,00	374 639 577,00	332 443 599,00	332 721 013,00
EXPENDITURE						
Employee Related Costs	42 705 756,06	67 735 685,00	54 320 798,00	73 042 317,00	77 715 911,00	82 689 681,00
Remuneration of Councillors	15 069 835,59	15 262 206,00	15 998 210,00	18 466 288,00	19 648 131,00	20 905 611,00
Debt Impairment	4 582 466,23	4 035 962,00	4 035 962,00	4 035 962,00	4 035 962,00	4 035 962,00
Bulk Purchases - Electricity	16 250 966,00	24 000 000,00	20 500 000,00	20 470 688,00	22 120 626,00	23 903 548,00
Interest Paid	0,00	0,00	0,00	1 350 000,00	1 350 000,00	1 350 000,00
Depreciation & Asset Impairment	30 067 523,49	0,00	30 067 523,49	30 067 523,00	30 067 523,00	30 067 523,00
Grants & Subsidies Given	614 105,65	1 400 000,00	1 400 000,00	3 500 000,00	3 689 000,00	3 888 206,00
General Expenses	31 496 679,90	47 009 618,00	57 366 063,00	62 879 430,00	65 024 857,00	68 477 078,00
Repairs & Maintenance	5 854 785,58	13 478 624,00	16 801 921,00	20 299 140,00	21 395 293,00	22 550 639,00
Loss on Disposal of PPE	2 456 708,00	0,00	0,00			
Contributions to Capital	37 868 462,14	79 580 767,00	93 261 223,00	171 421 285,00	97 485 107,00	94 453 248,00
Contribution to Provisions	1 520 484,88	3 219 184,00	3 709 802,00	3 000 000,00	3 162 000,00	3 332 748,00
TOTAL	188 487 773,52	255 722 046,00	297 461 502,49	408 532 633,00	345 694 410,00	355 654 244,00
Profit/(Loss)	16 819 112,40	4,00	-0,49	-33 893 056,00	-13 250 811,00	-22 933 231,00

The Consolidated Overview shows a significant increase in the capital expenditure budget. This is mainly due to the frontloading arrangement that the municipality is engaged with, with the DBSA. This will see the municipality receiving R45million frontloaded for future Integrated National Electrification Programme Grant which will see the municipality able to accelerate the provision of electricity to households in the entire municipality. From the municipality's own reserves we have also made available funds to ensure that other infrastructure projects like the storm water and drainage in town, Bizana asphalt phase 2 and Upgrading of electricity infrastructure and others are done, which has also added to the increase in the capital budget.

MBIZANA LOCAL MUNICIPALITY						
FINAL BUDGET SUMMARY VOTE						
May-14						
REVENUE						
VOTE	2012/13 AUDITED OUTCOME	ORIGINAL BUDGET	ADJUSTED BUDGET	2014/15 BUDGET	2015/16 BUDGET	2016/17 BUDGET
Council & General Expenses	17 390 601,76	17 912 206,00	18 908 210,00	0,00	0,00	0,00
Mayor's Office	1 332 085,19	2 870 000,00	2 790 000,00	0,00	0,00	0,00
Municipal Manager	18 231 176,29	23 939 258,00	28 362 919,00	0,00	0,00	0,00
Speaker	3 493 233,14	3 998 320,00	3 848 320,00	0,00	0,00	0,00
Budget & Treasury	43 397 824,51	20 207 850,00	50 017 069,00	219 387 070,00	206 549 824,00	207 748 073,00
Corporate Services	14 847 674,53	27 878 782,00	28 270 729,00	366 631,00	388 629,00	411 946,00
Development & Planning	4 384 852,32	6 706 346,00	6 728 546,00	196 800,00	194 888,00	213 281,00
Community Development	9 743 144,75	16 377 815,00	14 732 845,00	3 491 130,00	3 685 597,00	3 904 733,00
Refuse Removal & Cemetery	6 214 880,33	13 925 260,00	9 405 821,00	2 200 000,00	1 272 000,00	1 348 320,00
Road Works & Engineering	28 817 201,53	70 715 836,00	74 950 372,00	46 094 545,00	48 384 698,00	50 491 820,00
Electricity	57 602 331,52	51 190 378,00	59 446 671,00	102 903 402,00	71 966 963,00	68 611 841,00
TOTAL	205 455 005,87	255 722 051,00	297 461 502,00	374 639 578,00	332 442 599,00	332 730 014,00
EXPENDITURE						
Council & General Expenses	17 390 601,76	17 912 206,00	18 908 210,00	23 247 288,00	23 633 305,00	25 105 985,00
Mayor's Office	1 332 085,19	2 870 000,00	2 790 000,00	3 354 662,00	3 535 814,00	3 726 748,00
Municipal Manager	18 231 176,29	23 939 254,00	28 362 919,00	22 947 175,00	24 366 935,00	25 811 382,00
Speaker	3 493 233,14	3 998 320,00	3 848 320,00	5 002 700,00	5 272 846,00	5 557 579,00
Budget & Treasury	43 397 824,51	20 207 850,00	50 017 069,49	53 864 969,00	54 890 287,00	55 990 231,00
Corporate Services	14 847 674,53	27 878 782,00	28 270 729,00	34 720 278,00	36 705 694,00	38 805 397,00
Development Planning	4 384 852,32	6 706 346,00	6 728 546,00	13 290 707,00	13 949 570,00	14 908 581,00
Community Development	9 743 144,75	16 377 815,00	14 732 845,00	26 570 170,00	27 010 577,00	28 617 169,00
Refuse Removal & Cemetery	6 214 880,33	13 925 260,00	9 405 821,00	14 891 510,00	14 732 653,00	15 625 042,00
Road Works & Engineering	11 998 089,13	70 715 836,00	74 950 372,00	100 702 427,00	79 201 583,00	83 034 577,00
Electricity	57 602 331,52	51 190 378,00	59 446 671,00	109 941 022,00	62 425 147,00	58 471 554,00
TOTAL	188 635 893,47	255 722 047,00	297 461 502,49	408 532 908,00	345 724 411,00	355 654 245,00
Profit/(Loss)	16 819 112,40	4,00	-0,49	-33 893 330,00	-13 281 812,00	-22 924 231,00

The Engineering and Electricity departments boast the highest budgets in the 2014/15 annual budget and the MTREF. This points to the fact that has been highlighted before that this budget is biased towards infrastructure development, and these two departments boast a budget of more that R200million when they are combined. This is more than the 50% of the entire municipal budget.

1.4 Operating Revenue Framework

For Mbizana Local Municipality to continue improving the quality of services provided to its citizens it needs to generate the required revenue. In these tough economic times strong revenue management is fundamental to the financial sustainability of every municipality. The reality is that we are faced with development backlogs and poverty. The expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices have to be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues.

The municipality's revenue strategy is built around the following key components:

- National Treasury's guidelines and macroeconomic policy;
- Growth in the Municipal area and continued economic development;
- Efficient revenue management;
- Electricity tariff increases as approved by the National Electricity Regulator of South Africa (NERSA);
- Achievement of full cost recovery of specific user charges especially in relation to trading services;
- Determining the tariff escalation rate by establishing/calculating the revenue requirement of each service;
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA);
- Increase ability to extend new services and recover costs;
- The municipality's Indigent Policy and rendering of free basic services; and
- Tariff policies of the Municipality.

The following table is a summary of the 2014/15 MTREF (classified by main revenue source):

Table 2 Summary of revenue classified by main revenue source**EC443 Mbizana - Table A4 Budgeted Financial Performance (revenue and expenditure)**

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand	1									
Revenue By Source										
Property rates	2	6 965	6 276	7 199	12 674	11 441	11 441	15 000	15 900	16 845
Property rates - penalties & collection charges		-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	2	8 340	12 786	15 192	30 371	31 043	31 043	33 328	35 781	38 414
Service charges - water revenue	2	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2	765	879	985	889	888	888	1 200	1 272	1 348
Service charges - other		7	9	8	11	11	11	11	12	13
Rental of facilities and equipment		1 037	1 804	1 046	688	688	688	729	774	819
Interest earned - external investments		2 341	3 389	4 827	4 090	4 090	4 090	5 026	5 328	5 648
Interest earned - outstanding debtors		214	64	364	92	92	92	97	103	109
Dividends received		-	-	-	-	-	-	-	-	-
Fines		182	277	295	389	368	368	527	559	593
Licences and permits		1 008	993	1 145	1 476	1 476	1 476	2 333	2 473	2 622
Agency services		182	647	587	629	629	629	849	900	954
Transfers recognised - operational		79 431	102 647	109 147	129 778	130 813	130 813	151 397	187 245	187 250
Other revenue	2	1 418	1 249	584	14 339	51 527	51 527	97 000	1 242	1 317
Gains on disposal of PPE		-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		101 890	131 022	141 378	195 425	233 065	233 065	307 497	251 588	255 931

Table 3 Percentage growth in revenue by main revenue source**EC443 Mbizana - Table A4 Budgeted Financial Performance (revenue and expenditure)**

2014/15 Medium Term Revenue & Expenditure Framework														
Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14									
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast		Budget Year 2014/15		Budget Year +1 2015/16	Budget Year +2 2016/17		
Revenue By Source														
Property rates	2	6 965	6 276	7 199	12 674	11 441	11 441	31%	15 000	6%	15 900	6%	16 845	
Property rates - penalties & collection charges		-	-	-	-	-	-	-	-	-	-	-	-	
Service charges - electricity revenue	2	8 340	12 786	15 192	30 371	31 043	31 043	7%	33 328	7%	35 781	7%	38 414	
Service charges - water revenue	2	-	-	-	-	-	-	-	-	-	-	-	-	
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	-	-	-	-	-	
Service charges - refuse revenue	2	765	879	985	889	888	888	35%	1 200	6%	1 272	6%	1 348	
Service charges - other		7	9	8	11	11	11	6%	11	6%	12	6%	13	
Rental of facilities and equipment		1 037	1 804	1 046	688	688	688	6%	729	6%	774	6%	819	
Interest earned - external investments		2 341	3 389	4 827	4 090	4 090	4 090	23%	5 026	6%	5 328	6%	5 648	
Interest earned - outstanding debtors		214	64	364	92	92	92	6%	97	6%	103	6%	109	
Dividends received		-	-	-	-	-	-	-	-	-	-	-	-	
Fines		182	277	295	389	368	368	43%	527	6%	559	6%	593	
Licences and permits		1 008	993	1 145	1 476	1 476	1 476	58%	2 333	6%	2 473	6%	2 622	
Agency services		182	647	587	629	629	629	35%	849	6%	900	6%	954	
Transfers recognised - operational		79 431	102 647	109 147	129 778	130 813	130 813	16%	151 397	24%	187 245	0%	187 250	
Other revenue	2	1 418	1 249	584	14 339	51 527	51 527	88%	97 000	-99%	1 241	7%	1 326	
Gains on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	
Total Revenue (excluding capital transfers and contributions)			101 890	131 022	141 378	195 425	233 065	233 065		307 497		251 587		255 940

In line with the formats prescribed by the Municipal Budget and Reporting Regulations, capital transfers and contributions are excluded from the operating statement, as inclusion of these revenue sources would distort the calculation of the operating surplus/deficit.

Revenue generated from rates and services charges forms a significant percentage of the revenue basket for the Municipality. Although the municipality is still heavily reliant on grant funding, the rates and service charges remain an important source of revenue for the municipality.

Property Rates depend on the availability of the valuation roll to be levied. This is an essential step in the calculation of tariffs and as such the hurdles that have been experienced recently are hampering on the ability of the municipality to generate revenue. R15 million has been budgeted for 2014/15 financial year and this is up more than 6% from the 2013/14 financial period. This is due to the additional properties that have been added to the valuation roll. These properties are large businesses with the potential of raising the R3million extra that we are budgeting for.

Electricity distribution also contributes significantly to the revenue basket, provided that it is able to generate profits. R33 million has been budgeted for electricity distribution in the 2014/15 financial year. The municipality has plans in place to ensure that this budgeted amount is realised and these include a meter audit exercise, data cleansing, effective credit control implementation and improved management of distribution losses.

Table 4 Operating Transfers and Grant Receipts

EC443 Mbizana - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		-	2 240	33 300	149 467	151 081	-	173 185	221 129	214 406
Local Government Equitable Share					126 027	126 027		145 251	181 912	181 688
Finance Management			1 450	1 500	1 550	2 456		1 600	1 650	1 700
Municipal Systems Improvement			790	800	890	1 348		934	967	1 018
EPWP Incentive			-	1 000	1 000	1 250		1 000		
Integrated National Electrification Programme			-	30 000	20 000	20 000		24 400	36 600	30 000
Other transfers/grants [insert description]										
Provincial Government:		-	-	-	-	461	-	362	355	381
Various					-	461		362	355	381
District Municipality:		-	-	-	-	700	-	-	-	-
Integrated Development Planning						200				
Spatial Development Framework						500				
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
Total Operating Transfers and Grants	5	-	2 240	33 300	149 467	152 241	-	173 547	221 484	214 787

Tariff-setting is a pivotal and strategic part of the compilation of any budget. When rates, tariffs and other charges were revised, local economic conditions, input costs and the affordability of services were taken into account to ensure the financial sustainability of the Municipality.

National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges as low as possible. We are required to justify in our budget documentation all increases in excess of the 6 per cent upper boundary of the South African Reserve Bank's inflation target. Excessive increases are likely to be counterproductive, resulting in higher levels of non-payment.

The percentage increase in Electricity bulk tariffs is far beyond the mentioned inflation target. Given that this tariff increase is determined by external agencies, the impact it has on the municipality's electricity tariffs is largely outside the control of the Municipality. Discounting the impact of this price increase in lower consumer tariffs will erode the Municipality's future financial position and viability.

It must also be appreciated that the consumer price index, as measured by CPI, is not a good measure of the cost increases of goods and services relevant to municipalities. The basket of goods and services utilised for the calculation of the CPI consist of items such as food, petrol and medical services, whereas the cost drivers of a municipality are informed by items such as the cost of remuneration, bulk purchases of electricity and water, petrol, diesel, chemicals,

cement etc. The current challenge facing the Municipality is managing the gap between cost drivers and tariffs levied, as any shortfall must be made up by either operational efficiency gains or service level reductions. Within this framework the Municipality has undertaken the tariff setting process relating to service charges as follows.

1.4.1 Property Rates

Property rates cover the cost of the provision of general services. Determining the effective property rate tariff is therefore an integral part of the municipality's budgeting process.

The Property Rates policy is one of the most important documents that we utilise in the determination of property rates. It should be kept in mind though that the Municipal Property Rates Act remains the reference point for this policy.

The following stipulations in the Property Rates Policy are highlighted:

- The first R15 000 of the market value of a property used for residential purposes is excluded from the rate-able value (Section 17(h) of the MPRA). In addition to this rebate, a further R40 000 reduction on the market value of a property will be granted in terms of the municipality's own Property Rates Policy;
- Details of further rebates and reductions are provided in the municipality's Property Rates Policy and the Indigent Policy.

Table 5 Comparison of proposed rates to levied for the 2014/15 financial year

Category	Current Tariff (1 July 2013)	Proposed tariff (from 1 July 2014)
	c	C
Residential properties	1.8	1.908
State owned properties	2	2.12
Business & Commercial	2	2,12

1.4.2 Sale of Electricity and Impact of Tariff Increases

NERSA announced the revised bulk electricity pricing structure. A 8.06 per cent increase in the Eskom bulk electricity tariff to municipalities will be effective from 1 July 2014, while municipalities have been given a **7.39 per cent increase** allowance on their electricity tariffs.

It should be noted that given the magnitude of the tariff increase, it is expected to depress growth in electricity consumption, which might have a negative impact on the municipality's revenue from electricity.

Registered indigents will again be granted 50 kWh per 30-day period free of charge.

It should further be noted that NERSA advised that a stepped tariff structure be implemented from 1 July 2011. The effect thereof is that the higher the consumption, the higher the cost per kWh. The aim is to subsidise the lower consumption users (mostly the poor).

The inadequate electricity bulk capacity and the impact on service delivery and development remains a challenge for the Municipality. The upgrading of the Municipality's electricity network has therefore become a strategic priority.

Owing to the high increases in Eskom's bulk tariffs, it is clearly not possible to fund these necessary upgrades through increases in the municipal electricity tariff – as the resultant tariff increases would be unaffordable for the consumers. It is therefore proposed that the taking up of loans as a strategy for funding of the infrastructure be considered and approved to spread the burden over the life span of the assets. As part of the 2014/15 medium-term capital programme, funding has been allocated to electricity infrastructure but these funding levels will require further investigation as part of the next budget cycle in an attempt to source more funding to ensure this risk is mitigated.

1.4.3 Waste Removal and Impact of Tariff Increases

Currently solid waste removal is operating at a deficit. It is widely accepted that the rendering of this service should at least break even, which is currently not the case. The Municipality will have to implement a solid waste strategy to ensure that this service can be rendered in a sustainable manner over the medium to long-term. The main contributors to this deficit are repairs and maintenance on vehicles, increases in general expenditure such as petrol and diesel and the cost of remuneration. Considering the deficit, it is recommended that a comprehensive investigation into the cost structure of solid waste function be undertaken, and

that this include investigating alternative service delivery models. The outcomes of this investigation will be incorporated into the next planning cycle.

A 6 per cent increase in the waste removal tariff is proposed from 1 July 2014. Any increase higher than 9 per cent would be counter-productive and will result in affordability challenges for individual consumers, especially residents raising the risk associated with bad debt.

The following table compares current and proposed amounts payable from 1 July 2014:

Table 6 Comparison between current waste removal fees and increases

		CURRENT TARIFFS 2013/14		PROPOSED TARIFFS 2014/15	
			WASTE REMOVAL		WASTE REMOVAL
Basic Charge					
Households			97.61		103.47
Small Businesses			206.06		218.42
Large Businesses and Government			445.48		472.21
Vacant Sites			46.36		49.14

1.4.4 Other municipal Tariffs

The municipality has other tariffs that are proposed to increase as follows:

Table 7 Comparison between current tariffs for other services and increases

	CURRENT TARIFFS 2013/14	PROPOSED TARIFFS 2014/15
Connection Fees		
20 AMPS (Single Phase)	530.00	561.8
60 AMPS (Single Phase)	2400.00	2544.00
100 AMPS (Prepaid/Conventional – 3Phase)	2800.00	2968.00
kVa	1500.00	1590.00
Reconnection Fees	320.00	339.20
Meter Replacements		
20 AMPS (Single Phase)	2400.00	2544.00
60 AMPS (Single Phase)	2401.00	2545.06
100 AMPS (Prepaid/Conventional – 3Phase)	2402.00	2546.12
Grass Cutting		
Square Meter	10.00	10.54per sq. Meter
Travelling per KM more that 10KM from town	5.50	5.80 per km beyond the 10 th km
Hall Hire		
Town Meetings & Churches (Hourly Rate)	98.31	104.21
Entertainment & Workshops	245.79	260.54
Security Fee	860.27	911.89
Villages Hall Hire	220.00	233.20
Villages Security Deposit	440.00	466.40
	CURRENT TARIFFS 2013/14	FINAL TARIFFS 2014/15
Pound Fees		
Admission of Guilt under Municipal By-Law (For all animals)	300	318
Storage- Cattle, Horses, Donkeys and other animals of similar size	50 per night	53 per night
Goats, Sheep, and other animals of the same size	30 per night	31.8 per night
If Captured by SAPS (eg, recovered stolen animals)	20 per night	21.20 per night
Library Fees		
Membership		
Adults – Per Annum	50	53
Children – Per Annum	30	31.8
Children 12 years and younger	-	-
Photocopy per page	0.50	0.53
Penalties		
Overdue returns	0.60	0.64
Book Tempered with	30	31.8
Lost Book	Market Value of the book	Market Value of the book

Dumping Site		
Bakkie – per load	50.00	53.00
Truck – per load	-	63.6
Vending & Hawking		
Registration		135.00
Stalls		250.00
Street Shelters		200.00
Street Trader		100.00
Registration outside Town (With Stall)		80.00
Registration inside town (With no stall)		50.00
Bakkies Registration		300.00
Annual Licence		500.00

A number of new tariffs will be introduced by the Development Planning Department. These are tabulated below:-

ADVERTISING RENTAL		
LOCAL		
1	Bill board 1m(h) x 1,5m(w) - Local	R316. PM
2	Bill board 1,5 m(h) x 2m(w) - Local	R369. PM
3	Bill board 2m(h) x 3m(w) - Local	R422. PM
4	Bill board 3m(h) x 4m(w) - Local	R474. PM
5	Temporal posters size not exceeding 1m (h) x 1m (w), number of poster must not to exceed ten (10)	R300.00 PM
NATIONAL		
6	Bill board 1,5m(h) x 3m(w) - National	R 1,054.00

7	Bill board 3 m(h) x 6m(w) - National	R 1,581.00
8	Bill board 6m(h) x 4m(w) - National	R 2,108.00
9	Bill board 9m(h) x 6m(w) - National	5,270.00

1.5 Operating Expenditure Framework

The Municipality's expenditure framework for the 2014/15 budget and MTREF is informed by the following:

- Balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit;
- Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;
- The capital programme is aligned to the asset renewal strategy and backlog eradication plan;
- Operational gains and efficiencies will be directed to funding the capital budget and other core services; and
- Strict adherence to the principle of *no project plan no budget*. If there is no business plan no funding allocation can be made.

The following table is a high level summary of the 2014/15 budget and MTREF (classified per main type of operating expenditure):

Table 7 Summary of operating expenditure by standard classification item

EC443 Mbizana - Table A4 Budgeted Financial Performance (revenue and expenditure)

EC443 Mbizana - Table A4 Budgeted Financial Performance (revenue and expenditure)										
Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Expenditure By Type										
Employee related costs	2	28 817	33 114	44 883	67 736	54 321	54 321	73 042	77 716	82 690
Remuneration of councillors		11 687	14 075	16 199	15 262	15 998	15 998	18 466	19 648	20 906
Debt impairment	3	91	1 801	1 804	4 036	4 036	4 036	4 036	4 036	4 036
Depreciation & asset impairment	2	32 815	17 721	30 068	-	30 068	30 068	30 068	30 068	30 068
Finance charges		-	-	148	-	-	-	1 350	1 350	1 350
Bulk purchases	2	9 491	13 500	16 251	24 000	20 500	20 500	22 152	23 938	25 867
Other materials	8	-	-	-	-	-	-	-	-	-
Contracted services		-	-	-	-	-	-	-	-	-
Transfers and grants		837	695	614	1 400	1 400	1 400	3 500	3 689	3 888
Other expenditure	4, 5	35 040	44 165	74 691	143 288	171 139	171 139	255 918	185 250	186 850
Loss on disposal of PPE		-	-	-	-	-	-	-	-	-
Total Expenditure		118 778	125 071	184 658	255 722	297 462	297 462	408 333	345 694	355 654
Surplus/(Deficit)		(16 888)	5 950	(43 280)	(60 297)	(64 397)	(64 397)	(101 035)	(94 107)	(99 715)
Transfers recognised - capital		32 197	41 400	59 744	60 297	64 397	64 397	67 142	80 855	76 790
Contributions recognised - capital	6	-	-	-	-	-	-	-	-	-
Contributed assets		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		15 309	47 350	16 464	0	(0)	(0)	(33 893)	(13 252)	(22 924)
Taxation		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		15 309	47 350	16 464	0	(0)	(0)	(33 893)	(13 252)	(22 924)
Attributable to minorities		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		15 309	47 350	16 464	0	(0)	(0)	(33 893)	(13 252)	(22 924)
Share of surplus/ (deficit) of associate	7	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year		15 309	47 350	16 464	0	(0)	(0)	(33 893)	(13 252)	(22 924)

The budgeted allocation for employee related costs for the 2014/15 financial year totals R73 Million, which equals 31 per cent of the total operating expenditure. Based on the guidelines on circular 70 and 72, salary increases have been factored into this budget at a percentage increase of 6.8 per cent for the 2014/15 financial year. An annual increase of 6.4 per cent has been included in the two outer years of the MTREF. As part of the planning, all departments have been requested to submit their personnel requirements for the years budgeted for. This includes existing positions that are currently filled, vacant positions that will be filled and as such should be budgeted for. A process is also underway to review the current organisational structure to determine whether it is effective in the provision of services to the communities.

The cost associated with the remuneration of councillors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The most recent proclamation in this regard has been taken into account in compiling the Municipality's budget. Part of the plans also includes the Executive Committee members who could become fulltime, but this is still to be approved by council.

Bulk purchases are directly informed by the purchase of electricity from Eskom. The annual price increases have been factored into the budget appropriations and directly inform the revenue provisions.

Other expenditure comprises of various line items relating to the daily operations of the municipality. This group of expenditure has also been identified as an area in which cost savings and efficiencies can be achieved.

1.5.1 Priority given to repairs and maintenance

Aligned to the priority being given to preserving and maintaining the Municipality's current infrastructure, the 2014/15 budget and MTREF provide for extensive growth in the area of asset maintenance. In terms of the Municipal Budget and Reporting Regulations, operational repairs and maintenance is not considered a direct expenditure driver but an outcome of certain other expenditures, such as remuneration, purchases of materials and contracted services. Considering these cost drivers, the following table is a consolidation of all the expenditures associated with repairs and maintenance:

Table 8 Operational repairs and maintenance

EC443 Mbizana - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'

EC443 Mbitzana - Supporting table SA1 Supporting detail to Budgeted Financial Performance											
Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand											
Repairs and Maintenance by Expenditure Item	8										
Employee related costs											
Other materials											
Contracted Services		3 067	3 958	5 581	13 479	16 802	16 802		20 299	21 395	22 551
Other Expenditure											
Total Repairs and Maintenance Expenditure	9	3 067	3 958	5 581	13 479	16 802	16 802	-	20 299	21 395	22 551

During the compilation of the 2014/15 MTREF operational repairs and maintenance was identified as a strategic imperative owing to the aging of the Municipality's infrastructure and historic deferred maintenance.

The repairs and maintenance also speak to the maintenance of the landfill site currently in use the landfill site to be constructed during the financial period.

An amount of R15million has been set aside in the 2014/15 financial period for the maintenance of roads. This will ensure that there is improved access to all the wards in the municipality.

The table below provides a breakdown of the repairs and maintenance in relation to asset class:

Table 9 Repairs and maintenance per asset class

EC443 Mbizana - Table A9 Asset Management

EC443 Mbizana - Table A9 Asset Management

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand										
EXPENDITURE OTHER ITEMS										
<u>Depreciation & asset impairment</u>	3	32 815	17 721	30 068	-	30 068	30 068	30 068	30 068	30 068
<u>Repairs and Maintenance by Asset Class</u>		-	-	-	13 479	16 802	16 802	20 299	21 395	22 551
Infrastructure - Road transport		-	-	-	11 000	14 514	14 514	17 800	18 761	19 774
Infrastructure - Electricity		-	-	-	605	354	354	393	414	436
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	150	150	150	-	-	-
Infrastructure		-	-	-	11 755	15 019	15 019	18 193	19 175	20 211
Community		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6, 7	-	-	-	1 723	1 783	1 783	2 106	2 220	2 340
TOTAL EXPENDITURE OTHER ITEMS		32 815	17 721	30 068	13 479	46 869	46 869	50 367	51 463	52 618

1.5.2 Free Basic Services: Basic Social Services Package

The social package assists households that are poor or face other circumstances that limit their ability to pay for services. To receive these free services the households are required to register in terms of the Municipality's Indigent Policy.

The cost of the social package of the registered indigent households is largely financed by national government through the local government equitable share received in terms of the annual Division of Revenue Act.

1.6 Capital expenditure

The following table provides a breakdown of budgeted capital expenditure by vote:

Table 10 2014/15 Medium-term capital budget per vote

EC443 Mbizana - Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand	1									
Capital expenditure - Vote										
Multi-year expenditure to be appropriated	2									
Vote 1 - EXECUTIVE & COUNCIL		-	-	-	-	-	-	-	-	-
Vote 2 - BUDGET & TREASURY		-	-	-	-	-	-	-	-	-
Vote 3 - CORPORATE SERVICES		-	-	-	-	-	-	-	-	-
Vote 4 - COMMUNITY & SOCIAL SERVICES		-	-	-	-	-	-	-	-	-
Vote 5 - ENGINEERING SERVICES		-	-	-	-	-	-	-	-	-
Vote 6 - DEVELOPMENT PLANNING		-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	-	-	-	-	-	-	-	-	-
Single-year expenditure to be appropriated	2									
Vote 1 - EXECUTIVE & COUNCIL		-	-	-	-	-	-	1 000	-	-
Vote 2 - BUDGET & TREASURY		-	-	-	-	-	-	-	-	-
Vote 3 - CORPORATE SERVICES		-	-	-	3 331	2 631	2 631	6 100	6 429	6 777
Vote 4 - COMMUNITY & SOCIAL SERVICES		-	-	-	6 353	3 500	3 500	5 045	4 197	4 424
Vote 5 - ENGINEERING SERVICES		-	-	-	70 197	86 130	86 130	157 113	84 578	80 715
Vote 6 - DEVELOPMENT PLANNING		-	-	-	-	1 000	1 000	2 164	2 280	2 538
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		-	-	-	79 881	93 261	93 261	171 421	97 485	94 453
Total Capital Expenditure - Vote		-	-	-	79 881	93 261	93 261	171 421	97 485	94 453

For the 2014/15 Annual budget, an amount of R128million has been appropriated. This covers the construction of roads and other infrastructure. Electrification of villages in the municipality has been as thorn in the council and as such eradication of electrification backlogs takes a significant part of the budget.

The Municipal Infrastructure Projects for the 2014/15 financial period is informed by the allocation the municipality will receive. It account for R44.9 million of the capital budget and the projects that will be implemented are listed:-

<u>2014/15 MIG PROJECTS</u>					
ITEM	PROJECT NAME	BUDGET	KILOMETRES	WARD NO	
1	Project Management Unit	R 2 249 600.00	N/A	N/A	
2	Madada to Holycross Hospital Access Road	R 3 500 000.00	5.00	11	
3	Butshengweni Access Road	R 1 666 445.61	1.30	16	
4	Upper Gwala to Cingweni Access Road	R 2 778 000.00	3.50	5	
5	Nkulisa Access Road	R 2 445 078.00	4.00	27	
6	Ngojane to T-Road (120/121/438) Access Road	R 3 800 000.00	7.10	14	
7	Nomlacu Extension Access Road	R 3 990 000.00	8.00	26	
8	Lubunde Access Road	R 3 063 978.00	5.00	18	
9	Meje Access Road	R 1 913 638.00	2.50	14	
10	Cwaka Access Road	R 3 210 400.00	4.00	29	

11	Ntshikithane to Bukuveni J.S.S	R 1 943 548.63	3.50	8
12	Makhwantini to Matshezi Access Road	R 3 000 000.00	7.00	25
13	Mzamba Community Hall	R 2 940 000.00	300m ²	7
14	Mhlabi Community Hall	R 2 940 000.00	300m ²	12
15	Makhosonke Community Hall	R 2 940 000.00	300m ²	15
16	Ward 25 Sportsfield	R 2 611 311.76	N/A	25
TOTAL KILOMETRES		R 44 992 000.00	53.92	

The electrification of projects accounts for R69,4 million of the availed budget and can be shown as follows:-

14/15 ELECTRIFICATION PROJECTS - TO BE DONE BY THE MUNICIPALITY

NUMBER	NAME OF PROJECT	WARD NUMBER	NUMBER OF CONNECTIONS	Cost per Connection	Eskom (5 % and Meters at R300)	PROJECT COST
1	Mgodini, Mbangweni, Mantusini and Mcitshweni	10	1143	R 12 000.00	R 1 028 700.00	R 13 716 000.00
2	Mxhotsheni	29	289	R 12 000.00	R 260 100.00	R 3 468 000.00
3	Monti / Ntlozelo	19	965	R 12 000.00	R 868 500.00	R 11 580 000.00
4	Gumzana	22	430	R 12 000.00	R 387 000.00	R 5 160 000.00
5	Mqonjwana	18	548	R 12 000.00	R 493 200.00	R 6 576 000.00
6	Lugwijini	22	85	R 12 000.00	R 76 500.00	R 1 020 000.00
7	Mpunzi drift and Nobamba	18 and 21	89	R 12 000.00	R 80 100.00	R 1 068 000.00
8	Madiba	2	538	R 12 000.00	R 484 200.00	R 6 456 000.00
9	Gudlintaba	2	400	R 12 000.00	R 360 000.00	R 4 800 000.00
10	Ngele	2	503	R 12 000.00	R 452 700.00	R 6 036 000.00
11	Project Management	N/A	N/A	N/A	N/A	R 1 500 000.00

12	Capacity Upgrade	N/A	N/A	N/A	N/A	R 3 529 000.00
TOTAL AMOUNT			4990	R 12 000	R 4 491 000.00	R 64 909 000.00
TOTAL AMOUNT FROM THE FRONT LOADING						R 45 000 000.00
TOTAL AMOUNT FROM THE INEP ALLOCATION						R 24 400 000.00
TOTAL AVAILABLE BUDGET						R 69 400 000.00

1.7 Annual Budget Tables

The following pages present the ten main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2014/15 budget and MTREF as approved by the Council. Each table is accompanied by *explanatory notes* on the facing page.

Table 11 MBRR Table A1 - Budget Summary

EC443 Mbizana - Table A1 Budget Summary

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousands									
Financial Performance									
Property rates	6 965	6 276	7 199	12 674	11 441	11 441	15 000	15 900	16 845
Service charges	9 112	13 675	16 185	31 271	31 941	31 941	34 539	37 064	39 775
Investment revenue	2 341	3 389	4 827	4 090	4 090	4 090	5 026	5 328	5 648
Transfers recognised - operational	79 431	102 647	109 147	129 778	130 813	130 813	151 397	187 245	187 250
Other own revenue	4 041	5 035	4 020	17 613	54 779	54 779	101 536	6 050	6 422
Total Revenue (excluding capital transfers and contributions)	101 890	131 022	141 378	195 425	233 065	233 065	307 497	251 587	255 940
Employee costs	28 817	33 114	44 893	67 736	54 321	54 321	73 042	77 716	82 690
Remuneration of councillors	11 687	14 075	16 199	15 262	15 998	15 998	18 466	19 648	20 906
Depreciation & asset impairment	32 815	17 721	30 068	-	30 068	30 068	30 068	30 068	30 068
Finance charges	-	-	148	-	-	-	1 350	1 350	1 350
Materials and bulk purchases	9 491	13 500	16 251	24 000	20 500	20 500	22 152	23 938	25 867
Transfers and grants	837	695	614	1 400	1 400	1 400	3 500	3 689	3 888
Other expenditure	35 131	45 965	76 495	147 324	175 175	175 175	259 954	189 286	190 886
Total Expenditure	118 778	125 071	184 658	255 722	297 462	297 462	408 533	345 694	355 654
Surplus/(Deficit)	(16 888)	5 950	(43 280)	(60 297)	(64 397)	(64 397)	(101 035)	(94 107)	(99 715)
Transfers recognised - capital	32 197	41 400	59 744	60 297	64 397	64 397	67 142	80 855	76 790
Contributions recognised - capital & contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	15 309	47 350	16 464	0	(0)	(0)	(33 893)	(13 252)	(22 924)
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	15 309	47 350	16 464	0	(0)	(0)	(33 893)	(13 252)	(22 924)
Capital expenditure & funds sources									
Capital expenditure	-	-	-	79 881	93 261	93 261	171 421	97 485	94 453
Transfers recognised - capital	-	-	-	60 297	62 882	62 882	67 142	80 855	76 790
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	45 000	-	-
Internally generated funds	-	-	-	19 584	30 379	30 379	59 279	16 630	17 663
Total sources of capital funds	-	-	-	79 881	93 261	93 261	171 421	97 485	94 453
Financial position									
Total current assets	65 814	90 513	142 526	142 526	134 724	134 724	71 507	90 234	99 590
Total non current assets	240 744	267 404	249 944	296 751	310 431	310 431	451 785	519 203	583 588
Total current liabilities	19 607	15 330	38 587	10 379	3 153	3 153	6 410	6 410	6 410
Total non current liabilities	-	-	-	12 552	12 552	12 552	57 552	31 902	12 552
Community wealth/Equity	286 951	342 587	353 883	416 345	429 450	429 450	459 330	571 124	664 217
Cash flows									
Net cash from (used) operating	38 431	74 341	71 638	83 917	85 460	85 460	94 427	137 933	111 627
Net cash from (used) investing	(22 067)	(44 382)	(20 369)	(79 881)	(93 261)	(93 261)	(171 421)	(97 485)	(94 453)
Net cash from (used) financing	-	11	77	-	-	-	45 000	(25 650)	(19 350)
Cash/cash equivalents at the year end	45 299	75 269	126 615	130 651	118 814	118 814	86 819	101 617	99 441
Cash backing/surplus reconciliation									
Cash and investments available	45 299	77 032	126 615	126 615	118 814	118 814	57 184	77 184	87 184
Application of cash and investments	(21 283)	(7 024)	20 141	(4 071)	(5 879)	(5 879)	(3 891)	(10 038)	(9 449)
Balance - surplus (shortfall)	66 582	84 057	106 474	130 686	124 692	124 692	61 075	87 222	96 633
Asset management									
Asset register summary (WDV)	8 001	8 001	5 544	291 206	304 887	304 887	5 544	5 544	5 544
Depreciation & asset impairment	32 815	17 721	30 068	-	30 068	30 068	30 068	30 068	30 068
Renewal of Existing Assets	-	-	-	-	-	-	-	-	-
Repairs and Maintenance	-	-	-	13 479	16 802	16 802	20 299	21 395	22 551
Free services									
Cost of Free Basic Services provided	-	-	-	280	280	-	280	280	280
Revenue cost of free services provided	-	-	-	-	-	-	-	-	-
Households below minimum service level									
Water:	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:	-	-	-	-	-	-	-	-	-
Energy:	-	-	-	3	3	-	6	6	6
Refuse:	-	-	-	48	48	-	48	48	48

Explanatory notes to MBRR Table A1 - Budget Summary

1. Table A1 is a budget summary and provides a concise overview of the municipality's budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
2. The table provides an overview of the amounts for possible approval by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.
3. Financial management reforms emphasises the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
 - a. The operating surplus/deficit (after Total Expenditure) is positive over the MTREF
 - b. Capital expenditure is balanced by capital funding sources, of which
 - i. Transfers recognised is reflected on the Financial Performance Budget;
 - ii. Borrowing is incorporated in the net cash from financing on the Cash Flow Budget
 - iii. Internally generated funds is financed from a combination of the current operating surplus and accumulated cash-backed surpluses from previous years. The amount is incorporated in the Net cash from investing on the Cash Flow Budget. The fact that the municipality's cash flow remains positive, and is improving indicates that the necessary cash resources are available to fund the Capital Budget.
4. Efforts have been made in compiling the budget to ensure that the budget is cash backed. This is reflected by the positive cash flows that the municipality has. This requires the municipality to maintain its prudence to ensure that positive cashflows are maintained over the long term whilst ensuring that there is spending on projects that make a difference to people's livelihoods.
5. Even though the Council is placing great emphasis on securing the financial sustainability of the municipality, this is not being done at the expense of services to the poor. The section of Free Services shows that the amount spent on Free Basic Services and the revenue cost of free services provided by the municipality continues to increase. In addition, the municipality continues to make progress in addressing service delivery backlogs

Table 12 MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

EC443 Mbizana - Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

Standard Classification Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand	1									
Revenue - Standard										
<i>Governance and administration</i>		90 561	114 171	121 336	96 806	132 786	132 786	219 754	206 938	208 160
Executive and council		445	150	200	48 720	53 909	53 909	-	-	-
Budget and treasury office		90 019	113 743	120 859	20 208	50 806	50 806	219 387	206 550	207 748
Corporate services		97	277	276	27 879	28 271	28 271	367	389	412
<i>Community and public safety</i>		236	315	257	14 602	12 957	12 957	658	682	721
Community and social services		91	48	98	14 302	12 657	12 657	340	345	364
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		145	266	159	300	300	300	318	337	357
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		24 027	33 260	34 354	79 198	91 122	91 122	49 125	51 583	53 889
Planning and development		605	367	885	7 072	7 095	7 095	585	605	649
Road transport		23 422	32 893	33 469	72 126	84 028	84 028	48 540	50 977	53 240
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		19 262	24 676	45 176	65 116	60 596	60 596	105 103	73 239	69 960
Electricity		18 497	23 797	43 441	51 190	51 190	51 190	102 903	71 967	68 612
Water		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		765	879	1 735	13 925	9 406	9 406	2 200	1 272	1 348
<i>Other</i>		-	-	-	-	-	-	-	-	-
Total Revenue - Standard	2	134 087	172 422	201 122	255 722	297 462	297 462	374 640	332 443	332 730
Expenditure - Standard										
<i>Governance and administration</i>		54 952	73 663	99 878	97 406	132 197	132 197	143 881	148 375	154 997
Executive and council		24 019	29 647	41 576	48 720	53 909	53 909	54 552	56 779	60 202
Budget and treasury office		11 100	13 797	45 575	20 208	50 017	50 017	53 865	54 890	55 990
Corporate services		19 834	30 219	12 726	28 479	28 271	28 271	35 464	36 706	38 805
<i>Community and public safety</i>		10 407	8 286	9 005	15 383	13 688	13 688	24 091	24 009	25 453
Community and social services		9 421	7 442	7 900	12 725	11 555	11 555	19 839	21 037	22 321
Sport and recreation		-	-	-	100	100	100	105	111	117
Public safety		511	844	1 105	2 558	2 033	2 033	4 147	2 861	3 015
Housing		475	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		37 879	11 373	16 344	77 722	81 779	81 779	114 341	93 518	98 330
Planning and development		2 738	2 708	4 387	8 706	8 329	8 329	14 685	15 419	16 458
Road transport		34 495	8 117	11 710	68 416	73 050	73 050	98 634	77 022	80 737
Environmental protection		646	548	247	600	400	400	1 022	1 077	1 135
<i>Trading services</i>		15 540	31 750	59 431	65 210	69 797	69 797	126 220	79 793	76 874
Electricity		11 165	24 929	53 216	51 285	60 391	60 391	111 328	65 060	61 249
Water		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		4 375	6 821	6 215	13 925	9 406	9 406	14 892	14 733	15 625
<i>Other</i>		-	-	-	-	-	-	-	-	-
Total Expenditure - Standard	3	118 778	125 071	184 658	255 722	297 462	297 462	408 533	345 694	355 654
Surplus/(Deficit) for the year		15 309	47 350	16 464	0	-	-	(33 893)	(13 252)	(22 924)

Explanatory notes to MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

1. Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into 15 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms of each of these functional areas which enables the National Treasury to compile 'whole of government' reports.
2. Note the Total Revenue on this table includes capital revenues (Transfers recognised – capital) and so does not balance to the operating revenue shown on Table A4.

Table 13 MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

EC443 Mbizana - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand										
Revenue by Vote	1									
Vote 1 - EXECUTIVE & COUNCIL		445	150	200	48 720	53 909	53 909	-	-	-
Vote 2 - BUDGET & TREASURY		90 019	113 743	120 859	20 208	50 017	50 017	219 387	206 550	207 748
Vote 3 - CORPORATE SERVICES		97	277	276	27 879	28 271	28 271	367	389	412
Vote 4 - COMMUNITY & SOCIAL SERVICES		2 626	3 072	4 478	37 009	24 116	24 116	5 691	4 958	5 253
Vote 5 - ENGINEERING SERVICES		40 900	55 179	75 309	121 906	134 397	134 397	148 998	120 352	119 104
Vote 6 - DEVELOPMENT PLANNING		-	-	-	-	6 751	6 751	197	195	213
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	134 087	172 422	201 122	255 722	297 462	297 462	374 640	332 443	332 730
Expenditure by Vote to be appropriated	1									
Vote 1 - EXECUTIVE & COUNCIL		24 019	29 647	41 576	48 720	53 909	53 909	54 552	56 779	60 202
Vote 2 - BUDGET & TREASURY		-	13 797	45 575	20 208	50 017	50 017	53 865	54 890	55 990
Vote 3 - CORPORATE SERVICES		19 834	30 219	12 726	27 879	28 271	28 271	34 720	36 706	38 805
Vote 4 - COMMUNITY & SOCIAL SERVICES		19 162	21 652	20 343	37 009	24 139	24 139	41 462	41 743	44 242
Vote 5 - ENGINEERING SERVICES		44 864	29 756	64 438	121 906	134 397	134 397	210 643	141 627	141 506
Vote 6 - DEVELOPMENT PLANNING		-	-	-	-	6 729	6 729	13 291	13 950	14 909
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	107 679	125 071	184 658	255 722	297 462	297 462	408 533	345 694	355 654
Surplus/(Deficit) for the year	2	26 409	47 350	16 464	0	-	-	(33 893)	(13 252)	(22 924)

Explanatory notes to MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

1. Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organisational structure of the Municipality.
2. Listed in the table above are the revenue and expenditure classifications for all the departments within the municipality. It is important to note that the Development Planning Department has been established and as such a budget for it has been set aside. The department has the following

- a. Local Economic Development

The budget item focus on changing people's lives on all sectors as stipulated in Municipal LED Strategy and is looking at how to support our Small medium Macro Enterprise in different sectors Emerging contractors ,crafters, hawkers, manufacturing etc. We all aware that informal trading is one of growing sectors and we are helping the sector buy building market stalls ,providing selling tables and most important demarcating clearly their trading zone for free traffic flow and cleanliness of the town. A market place building infrastructure will be built as there is a need as the growth in trading is seen in places like boxer and that blocks parking for those who come to the centre. An improvement in Capital budget is done as this vote create employment while contributing in the economy as our IDP vision and mission guide us. Although all sectors are budgeted that is Tourism, Agriculture, Mining, Mari culture a great need to source more funding has been identified in helping this KPA to achieve its goal of changing business sectors ,attraction of more tourists ,managing our natural resources in an economically manner and reviving agriculture in our area.

- b. Spatial Planning

SDF review is budgeted for as a forward planning tool and Land Use Management System will be developed.

Town and Regional Planning has been catered for the implementation of the Spatial Planning and Land Use Management Act 16 of 2013 (SPLUMA) that is addressing the imbalance of the past in spatial planning .Municipality will appoint Planning Tribunal that includes external professional people and a council committee for appeals will be established. Land use scheme will be developed and adopted. There will be capacity building of the Tribunal and all parties involved. Building Control awareness will be conducted and a committee for plan approvals will be established.

3. The total for budget and treasury includes employee costs at R5.6 million in the 2014/15 financial year, R2.2 for audit fee, R1.7 million for compilation of annual financial statements including quarterly financial statements that will be used as a skills transfer initiative to capacitate the budget and treasury personnel, R1.6 million for review and update of the municipal asset register as well as the procurement of an asset management system, R1.1 million for compilation of the general valuation roll. The remainder of the budget allocation is

for other operational items including travelling, subsistence, adverting, printing and stationery, and other operational expenses.

Table 14 MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure)

EC443 Mbizana - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand	1									
Revenue By Source										
Property rates	2	6 965	6 276	7 199	12 674	11 441	11 441	15 000	15 900	16 845
Property rates - penalties & collection charges		-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	2	8 340	12 786	15 192	30 371	31 043	31 043	33 328	35 781	38 414
Service charges - water revenue	2	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2	765	879	985	889	888	888	1 200	1 272	1 348
Service charges - other		7	9	8	11	11	11	11	12	13
Rental of facilities and equipment		1 037	1 804	1 046	688	688	688	729	774	819
Interest earned - external investments		2 341	3 389	4 827	4 090	4 090	4 090	5 026	5 328	5 648
Interest earned - outstanding debtors		214	64	364	92	92	92	97	103	109
Dividends received		-	-	-	-	-	-	-	-	-
Fines		182	277	295	389	368	368	527	559	593
Licences and permits		1 008	993	1 145	1 476	1 476	1 476	2 333	2 473	2 622
Agency services		182	647	587	629	629	629	849	900	954
Transfers recognised - operational		79 431	102 647	109 147	129 778	130 813	130 813	151 397	187 245	187 250
Other revenue	2	1 418	1 249	584	14 339	51 527	51 527	97 000	1 241	1 326
Gains on disposal of PPE		-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		101 890	131 022	141 378	195 425	233 065	233 065	307 497	251 587	255 940
Expenditure By Type										
Employee related costs	2	28 817	33 114	44 883	67 736	54 321	54 321	73 042	77 716	82 690
Remuneration of councillors		11 687	14 075	16 199	15 262	15 998	15 998	18 466	19 648	20 906
Debt impairment	3	91	1 801	1 804	4 036	4 036	4 036	4 036	4 036	4 036
Depreciation & asset impairment	2	32 815	17 721	30 068	-	30 068	30 068	30 068	30 068	30 068
Finance charges		-	-	148	-	-	-	1 350	1 350	1 350
Bulk purchases	2	9 491	13 500	16 251	24 000	20 500	20 500	22 152	23 938	25 867
Other materials	8	-	-	-	-	-	-	-	-	-
Contracted services		-	-	-	-	-	-	-	-	-
Transfers and grants		837	695	614	1 400	1 400	1 400	3 500	3 689	3 888
Other expenditure	4, 5	35 040	44 165	74 691	143 268	171 139	171 139	255 918	185 250	186 850
Loss on disposal of PPE		-	-	-	-	-	-	-	-	-
Total Expenditure		118 778	125 071	184 658	255 722	297 462	297 462	408 533	345 694	355 654
Surplus/(Deficit)		(16 888)	5 950	(43 280)	(60 297)	(64 397)	(64 397)	(101 035)	(94 107)	(99 715)
Transfers recognised - capital		32 197	41 400	59 744	60 297	64 397	64 397	67 142	80 855	76 790
Contributions recognised - capital		-	-	-	-	-	-	-	-	-
Contributed assets		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		15 309	47 350	16 464	0	(0)	(0)	(33 893)	(13 252)	(22 924)
Taxation		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		15 309	47 350	16 464	0	(0)	(0)	(33 893)	(13 252)	(22 924)
Attributable to minorities		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		15 309	47 350	16 464	0	(0)	(0)	(33 893)	(13 252)	(22 924)
Share of surplus/ (deficit) of associate	7	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year		15 309	47 350	16 464	0	(0)	(0)	(33 893)	(13 252)	(22 924)

Explanatory notes to Table A4 - Budgeted Financial Performance (revenue and expenditure)

1. Transfers recognised – operating includes the local government equitable share and other operating grants from national and provincial government

Table 15 MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

EC443 Mbizana - Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand	1									
Capital expenditure - Vote										
Multi-year expenditure to be appropriated	2									
Vote 1 - EXECUTIVE & COUNCIL		-	-	-	-	-	-	-	-	-
Vote 2 - BUDGET & TREASURY		-	-	-	-	-	-	-	-	-
Vote 3 - CORPORATE SERVICES		-	-	-	-	-	-	-	-	-
Vote 4 - COMMUNITY & SOCIAL SERVICES		-	-	-	-	-	-	-	-	-
Vote 5 - ENGINEERING SERVICES		-	-	-	-	-	-	-	-	-
Vote 6 - DEVELOPMENT PLANNING		-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	-	-	-	-	-	-	-	-	-
Single-year expenditure to be appropriated	2									
Vote 1 - EXECUTIVE & COUNCIL		-	-	-	-	-	-	1 000	-	-
Vote 2 - BUDGET & TREASURY		-	-	-	-	-	-	-	-	-
Vote 3 - CORPORATE SERVICES		-	-	-	3 331	2 631	2 631	6 100	6 429	6 777
Vote 4 - COMMUNITY & SOCIAL SERVICES		-	-	-	6 353	3 500	3 500	5 045	4 197	4 424
Vote 5 - ENGINEERING SERVICES		-	-	-	70 197	86 130	86 130	157 113	84 578	80 715
Vote 6 - DEVELOPMENT PLANNING		-	-	-	-	1 000	1 000	2 164	2 280	2 538
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		-	-	-	79 881	93 261	93 261	171 421	97 485	94 453
Total Capital Expenditure - Vote		-	-	-	79 881	93 261	93 261	171 421	97 485	94 453
Capital Expenditure - Standard										
Governance and administration		-	-	-	3 931	2 631	2 631	7 844	6 429	6 777
Executive and council		-	-	-	-	-	-	1 000	-	-
Budget and treasury office		-	-	-	-	-	-	-	-	-
Corporate services		-	-	-	3 931	2 631	2 631	6 844	6 429	6 777
Community and public safety		-	-	-	1 953	1 900	1 900	4 085	2 796	2 947
Community and social services		-	-	-	700	1 500	1 500	2 439	2 570	2 709
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	1 253	400	400	1 647	226	238
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		-	-	-	47 497	50 626	50 626	72 895	49 838	52 177
Planning and development		-	-	-	800	1 000	1 000	2 164	2 280	2 538
Road transport		-	-	-	46 697	49 626	49 626	70 731	47 558	49 639
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		-	-	-	26 500	38 105	38 105	86 597	38 421	32 552
Electricity		-	-	-	22 500	36 305	36 305	84 700	36 422	30 444
Water		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	4 000	1 800	1 800	1 897	2 000	2 108
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Standard	3	-	-	-	79 881	93 261	93 261	171 421	97 485	94 453
Funded by:										
National Government		-	-	-	60 297	62 382	62 382	67 142	80 855	76 790
Provincial Government		-	-	-	-	500	500	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	-	-	-	60 297	62 882	62 882	67 142	80 855	76 790
Public contributions & donations	5	-	-	-	-	-	-	-	-	-
Borrowing	E	-	-	-	-	-	-	45 000	-	-
Internally generated funds		-	-	-	19 584	30 379	30 379	59 279	16 630	17 663
Total Capital Funding	7	-	-	-	79 881	93 261	93 261	171 421	97 485	94 453

Explanatory notes to Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

1. Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.

Table 16 MBRR Table A6 - Budgeted Financial Position**EC443 Mbizana - Table A6 Budgeted Financial Position**

EC443 Mbitzana - Table A6 Budgeted Financial Position								2014/15 Medium Term Revenue & Expenditure Framework		
Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast			
ASSETS										
Current assets										
Cash		1 557	3 748	10 130	10 130	10 130	10 130	1 751	1 751	1 751
Call investment deposits	1	44 276	73 284	116 485	116 485	108 683	108 683	55 434	75 434	85 434
Consumer debtors	1	9 723	8 861	9 599	9 599	9 599	9 599	9 599	9 599	9 599
Other debtors		8 411	2 771	4 470	4 470	4 470	4 470	2 882	1 609	965
Current portion of long-term receivables		1 735	1 757	1 495	1 495	1 495	1 495	1 495	1 495	1 495
Inventory	2	112	91	347	347	347	347	347	347	347
Total current assets		65 814	90 513	142 526	142 526	134 724	134 724	71 507	90 234	99 590
Non current assets										
Long-term receivables						-				
Investments						-				
Investment property		8 001	8 001	5 544	5 544	5 544	5 544	5 544	5 544	5 544
Investment in Associate						-				
Property, plant and equipment	3	232 743	259 403	244 400	291 206	304 887	304 887	446 241	513 658	578 044
Agricultural										
Biological										
Intangible										
Other non-current assets										
Total non current assets		240 744	267 404	249 944	296 751	310 431	310 431	451 785	519 203	583 588
TOTAL ASSETS		306 558	357 917	392 470	439 276	445 155	445 155	523 292	609 437	683 179
LIABILITIES										
Current liabilities										
Bank overdraft	1	534								
Borrowing	4	-	-	-	-	-	-	-	-	-
Consumer deposits		315	326	403	403	403	403	403	403	403
Trade and other payables	4	15 792	10 499	32 505	9 976	2 750	2 750	328	328	328
Provisions		2 965	4 506	5 679				5 679	5 679	5 679
Total current liabilities		19 607	15 330	38 587	10 379	3 153	3 153	6 410	6 410	6 410
Non current liabilities										
Borrowing		-	-	-	12 552	12 552	12 552	57 552	31 902	12 552
Provisions		-	-	-	-	-	-	-	-	-
Total non current liabilities		-	-	-	12 552	12 552	12 552	57 552	31 902	12 552
TOTAL LIABILITIES		19 607	15 330	38 587	22 931	15 705	15 705	63 962	38 312	18 962
NET ASSETS	5	286 951	342 587	353 883	416 345	429 450	429 450	459 330	571 124	664 217
COMMUNITY WEALTH/EQUITY										
Accumulated Surplus/(Deficit)		251 340	274 477	249 951	302 282	323 188	323 188	403 896	495 691	578 783
Reserves	4	35 611	68 110	103 933	114 063	106 261	106 261	55 434	75 434	85 434
Minorities' interests										
TOTAL COMMUNITY WEALTH/EQUITY	5	286 951	342 587	353 883	416 345	429 450	429 450	459 330	571 124	664 217

Explanatory notes to Table A6 - Budgeted Financial Position

1. Table A6 is consistent with international standards of good financial management practice, and improves understandability for councilors and management of the impact of the budget on the statement of financial position (balance sheet).
2. This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as "accounting" Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.
3. Table 66 is supported by an extensive table of notes (SA3) providing a detailed analysis of the major components of a number of items, including:
 - Call investments deposits;
 - Consumer debtors;
 - Property, plant and equipment;
 - Trade and other payables;
 - Provisions non current;
 - Changes in net assets; and
 - Reserves
4. The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.
5. Any movement on the Budgeted Financial Performance or the Capital Budget will inevitably impact on the Budgeted Financial Position.

Table 17 MBRR Table A7 - Budgeted Cash Flow Statement**EC443 Mbizana - Table A7 Budgeted Cash Flows**

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand										
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Ratepayers and other		41 132	37 639	24 084	61 465	60 211	60 211	51 067	54 585	58 347
Government - operating	1	80 130	101 411	110 551	129 778	129 778	129 778	151 397	187 245	187 250
Government - capital	1	14 795	29 758	65 718	60 297	60 297	60 297	67 142	80 855	76 790
Interest		2 555	3 453	5 191	4 182	4 182	4 182	4 433	4 699	4 981
Dividends		-	-	-	-	-	-	-	-	-
Payments										
Suppliers and employees		(100 181)	(97 920)	(133 906)	(170 405)	(167 608)	(167 608)	(198 158)	(209 067)	(221 859)
Finance charges						-		(1 350)	(1 350)	(1 350)
Transfers and Grants	1				(1 400)	(1 400)	(1 400)	(3 500)	(3 689)	(3 888)
NET CASH FROM/(USED) OPERATING ACTIVITIES		38 431	74 341	71 638	83 917	85 460	85 460	71 032	113 278	100 270
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE										
Decrease (Increase) in non-current debtors										
Decrease (increase) other non-current receivables										
Decrease (increase) in non-current investments				(179)						
Payments										
Capital assets		(22 067)	(44 382)	(20 190)	(79 881)	(93 261)	(93 261)	(171 421)	(97 485)	(94 453)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(22 067)	(44 382)	(20 369)	(79 881)	(93 261)	(93 261)	(171 421)	(97 485)	(94 453)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans								45 000		
Borrowing long term/refinancing										
Increase (decrease) in consumer deposits			11	77						
Payments										
Repayment of borrowing									(25 650)	(19 350)
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	11	77	-	-	-	45 000	(25 650)	(19 350)
NET INCREASE/(DECREASE) IN CASH HELD		16 363	29 970	51 346	4 036	(7 802)	(7 802)	(55 390)	(9 857)	(13 533)
Cash/cash equivalents at the year begin.	2	28 936	45 299	75 269	126 615	126 615	126 615	118 814	63 424	53 567
Cash/cash equivalents at the year end	2	45 299	75 269	126 615	130 651	118 814	118 814	63 424	53 567	40 034

Explanatory notes to Table A7 - Budgeted Cash Flow Statement

1. The budgeted cash flow statement is the first measurement in determining if the budget is funded.
2. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.

Table 18 MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

EC443 Mbizana - Table A8 Cash backed reserves/accumulated surplus reconciliation

EC443 moizana - Table A6 Cash backed reserves/accumulated surplus reconciliation											
Description		Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Cash and investments available											
Cash/cash equivalents at the year end	1		45 299	75 269	126 615	130 651	118 814	118 814	86 819	104 767	99 441
Other current investments > 90 days			-	1 763	-	(4 036)	-	-	(29 635)	(27 583)	(12 257)
Non current assets - Investments	1		-	-	-	-	-	-	-	-	-
Cash and investments available:			45 299	77 032	126 615	126 615	118 814	118 814	57 184	77 184	87 184
Application of cash and investments											
Unspent conditional transfers			8 665	5 174	12 552	9 648	2 422	2 422	-	-	-
Unspent borrowing			-	-	-	-	-	-	-	-	-
Statutory requirements	2										
Other working capital requirements	3		(29 948)	(12 198)	7 589	(13 719)	(8 301)	(8 301)	(3 891)	(10 038)	(9 451)
Other provisions											
Long term investments committed	4		-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5										
Total Application of cash and investments:			(21 283)	(7 024)	20 141	(4 071)	(5 879)	(5 879)	(3 891)	(10 038)	(9 451)
Surplus(shortfall)			66 582	84 057	106 474	130 686	124 692	124 692	61 075	87 222	96 635

Explanatory notes to Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.
2. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.
3. The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality's budget must be "funded".
4. Non-compliance with section 18 of the MFMA is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded.

Table 19 MBRR Table A9 - Asset Management

EC443 Mbizana - Table A9 Asset Management

Description		Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
CAPITAL EXPENDITURE											
Total New Assets		1	-	-	-	79 881	93 261	93 261	171 421	97 485	94 453
Infrastructure - Road transport			-	-	-	40 297	42 382	42 382	58 167	44 855	46 790
Infrastructure - Electricity			-	-	-	22 800	35 705	35 705	85 413	36 000	30 000
Infrastructure - Water			-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation			-	-	-	-	-	-	-	-	-
Infrastructure - Other			-	-	-	5 000	1 800	1 800	4 900	4 110	4 332
Infrastructure			-	-	-	68 097	79 887	79 887	148 480	84 966	81 123
Community			-	-	-	5 053	7 611	7 611	6 813	1 574	1 659
Heritage assets			-	-	-	-	-	-	-	-	-
Investment properties			-	-	-	-	-	-	-	-	-
Other assets		6	-	-	-	6 731	5 764	5 764	16 128	10 945	11 671
Agricultural Assets			-	-	-	-	-	-	-	-	-
Biological assets			-	-	-	-	-	-	-	-	-
Intangibles			-	-	-	-	-	-	-	-	-
Total Renewal of Existing Assets		2	-	-	-	-	-	-	-	-	-
Infrastructure - Road transport			-	-	-	-	-	-	-	-	-
Infrastructure - Electricity			-	-	-	-	-	-	-	-	-
Infrastructure - Water			-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation			-	-	-	-	-	-	-	-	-
Infrastructure - Other			-	-	-	-	-	-	-	-	-
Infrastructure			-	-	-	-	-	-	-	-	-
Community			-	-	-	-	-	-	-	-	-
Heritage assets			-	-	-	-	-	-	-	-	-
Investment properties			-	-	-	-	-	-	-	-	-
Other assets		6	-	-	-	-	-	-	-	-	-
Agricultural Assets			-	-	-	-	-	-	-	-	-
Biological assets			-	-	-	-	-	-	-	-	-
Intangibles			-	-	-	-	-	-	-	-	-
Total Capital Expenditure		4	-	-	-	-	-	-	-	-	-
Infrastructure - Road transport			-	-	-	40 297	42 382	42 382	58 167	44 855	46 790
Infrastructure - Electricity			-	-	-	22 800	35 705	35 705	85 413	36 000	30 000
Infrastructure - Water			-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation			-	-	-	-	-	-	-	-	-
Infrastructure - Other			-	-	-	5 000	1 800	1 800	4 900	4 110	4 332
Infrastructure			-	-	-	68 097	79 887	79 887	148 480	84 966	81 123
Community			-	-	-	5 053	7 611	7 611	6 813	1 574	1 659
Heritage assets			-	-	-	-	-	-	-	-	-
Investment properties			-	-	-	-	-	-	-	-	-
Other assets		6	-	-	-	6 731	5 764	5 764	16 128	10 945	11 671
Agricultural Assets			-	-	-	-	-	-	-	-	-
Biological assets			-	-	-	-	-	-	-	-	-
Intangibles			-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class		2	-	-	-	79 881	93 261	93 261	171 421	97 485	94 453
ASSET REGISTER SUMMARY - PPE (WDV)											
Infrastructure - Road transport		5				141 101	154 781	154 781			
Infrastructure - Electricity						53 934	53 934	53 934			
Infrastructure - Water						-	-	-			
Infrastructure - Sanitation						-	-	-			
Infrastructure - Other						-	-	-			
Infrastructure			-	-	-	195 035	208 715	208 715	-	-	-
Community						40 489	40 489	40 489			
Heritage assets						-	-	-			
Investment properties			8 001	8 001	5 544	5 544	5 544	5 544	5 544	5 544	5 544
Other assets						50 138	50 138	50 138			
Agricultural Assets			-	-	-	-	-	-	-	-	-
Biological assets			-	-	-	-	-	-	-	-	-
Intangibles			-	-	-	-	-	-	-	-	-
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)		5	8 001	8 001	5 544	291 206	304 887	304 887	5 544	5 544	5 544
EXPENDITURE OTHER ITEMS											
Depreciation & asset impairment			32 815	17 721	30 068	-	30 068	30 068	30 068	30 068	30 068
Repairs and Maintenance by Asset Class		3	-	-	-	13 479	16 802	16 802	20 299	21 395	22 551
Infrastructure - Road transport			-	-	-	11 000	14 514	14 514	17 800	18 761	19 774
Infrastructure - Electricity			-	-	-	605	354	354	393	414	436
Infrastructure - Water			-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation			-	-	-	-	-	-	-	-	-
Infrastructure - Other			-	-	-	150	150	150	-	-	-
Infrastructure			-	-	-	11 755	15 019	15 019	18 193	19 175	20 211
Community			-	-	-	-	-	-	-	-	-
Heritage assets			-	-	-	-	-	-	-	-	-
Investment properties			-	-	-	-	-	-	-	-	-
Other assets		6, 7	-	-	-	1 723	1 783	1 783	2 106	2 220	2 340
TOTAL EXPENDITURE OTHER ITEMS			32 815	17 721	30 068	13 479	46 869	46 869	50 367	51 463	52 618

Explanatory notes to Table A9 - Asset Management

1. Table A9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.

Table 20 MBRR Table A10 - Basic Service Delivery Measurement

EC443 Mbizana - Table A10 Basic service delivery measurement

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Household service targets	1									
Water:										
Piped water inside dwelling										
Piped water inside yard (but not in dwelling)										
Using public tap (at least min.service level)	2									
Other water supply (at least min.service level)	4									
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Using public tap (< min service level)	3									
Other water supply (< min.service level)	4									
No water supply										
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:										
Flush toilet (connected to sewerage)										
Flush toilet (with septic tank)										
Chemical toilet										
Pit toilet (ventilated)										
Other toilet provisions (> min.service level)										
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Bucket toilet										
Other toilet provisions (< min.service level)										
No toilet provisions										
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-
Energy:										
Electricity (at least min service level)					200	200		200	200	200
Electricity - prepaid (min service level)					18 683	18 683		22 346	22 346	22 346
<i>Minimum Service Level and Above sub-total</i>		-	-	-	18 883	18 883	-	22 546	22 546	22 546
Electricity (< min service level)										
Electricity - prepaid (< min service level)										
Other energy sources					3 000	3 000		6 000	6 000	6 000
<i>Below Minimum Service Level sub-total</i>		-	-	-	3 000	3 000	-	6 000	6 000	6 000
Total number of households	5	-	-	-	21 883	21 883	-	28 546	28 546	28 546
Refuse:										
Removed at least once a week					700	700		800	875	875
<i>Minimum Service Level and Above sub-total</i>		-	-	-	700	700	-	800	875	875
Removed less frequently than once a week					100	100		157	201	201
Using communal refuse dump					242	242		250	250	250
Using own refuse dump					-	-		-	-	-
Other rubbish disposal					1	1		3	3	3
No rubbish disposal					47 647	47 647		47 480	47 361	47 361
<i>Below Minimum Service Level sub-total</i>		-	-	-	47 990	47 990	-	47 890	47 815	47 815
Total number of households	5	-	-	-	48 690	48 690	-	48 690	48 690	48 690
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)						-		-	-	-
Sanitation (free minimum level service)						-		-	-	-
Electricity/other energy (50kwh per household per month)					833	833		833	833	833
Refuse (removed at least once a week)						-		-	-	-
Cost of Free Basic Services provided (R'000)	8									
Water (6 kilolitres per household per month)										
Sanitation (free sanitation service)										
Electricity/other energy (50kwh per household per month)					280	280		280	280	280
Refuse (removed once a week)										
Total cost of FBS provided (minimum social package)		-	-	-	280	280	-	280	280	280
Highest level of free service provided										
Properly rates (R value threshold)										
Water (kilolitres per household per month)										
Sanitation (kilolitres per household per month)										
Sanitation (Rand per household per month)										
Electricity (kwh per household per month)					50	50		50	50	50
Refuse (average litres per week)										

Explanatory notes to Table A10 - Basic Service Delivery Measurement

- Table A10 provides an overview of service delivery levels, including backlogs (below minimum service level), for each of the main services.

Part 2 – Supporting Documentation

2.1 Overview of the annual budget process

Section 53 of the MFMA requires the Mayor of the municipality to provide general political guidance in the budget process and the setting of priorities that must guide the preparation of the budget. In addition Chapter 2 of the Municipal Budget and Reporting Regulations states that the Mayor of the municipality must establish a Budget Steering Committee to provide technical assistance to the Mayor in discharging the responsibilities set out in section 53 of the Act.

The Budget Steering Committee consists of the Municipal Manager and senior officials of the municipality meeting under the chairpersonship of the MMC for Finance.

The primary aims of the Budget Steering Committee is to ensure:

- that the process followed to compile the budget complies with legislation and good budget practices;
- that there is proper alignment between the policy and service delivery priorities set out in the Municipality's IDP and the budget, taking into account the need to protect the financial sustainability of municipality;
- that the municipality's revenue and tariff setting strategies ensure that the cash resources needed to deliver services are available; and
- that the various spending priorities of the different municipal departments are properly evaluated and prioritised in the allocation of resources.

2.1.1 Budget Process Overview

In terms of section 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year (i.e. in August 2013) a time schedule that sets out the process to revise the IDP and prepare the budget.

The Mayor tabled in Council the required the IDP and budget time schedule on 28 August 2013.

2.2 Overview of alignment of annual budget with IDP

The Constitution mandates local government with the responsibility to exercise local developmental and cooperative governance. The eradication of imbalances in South African society can only be realized through a credible integrated developmental planning process.

Municipalities in South Africa need to utilise integrated development planning as a method to plan future development in their areas and so find the best solutions to achieve sound long-term development goals. A municipal IDP provides a five year strategic programme of action aimed at setting short, medium and long term strategic and budget priorities to create a development platform, which correlates with the term of office of the political incumbents. The plan aligns the resources and the capacity of a municipality to its overall development aims and guides the municipal budget. An IDP is therefore a key instrument which municipalities use to provide vision, leadership and direction to all those that have a role to play in the development of a

municipal area. The IDP enables municipalities to make the best use of scarce resources and speed up service delivery.

Integrated developmental planning in the South African context is amongst others, an approach to planning aimed at involving the municipality and the community to jointly find the best solutions towards sustainable development. Furthermore, integrated development planning provides a strategic environment for managing and guiding all planning, development and decision making in the municipality.

It is important that the IDP developed by municipalities correlate with National and Provincial intent. It must aim to co-ordinate the work of local and other spheres of government in a coherent plan to improve the quality of life for all the people living in that area. Applied to the Municipality, issues of national and provincial importance should be reflected in the IDP of the municipality. A clear understanding of such intent is therefore imperative to ensure that the Municipality strategically complies with the key national and provincial priorities.

The aim of this revision cycle was to develop and coordinate a coherent plan to improve the quality of life for all the people living in the area, also reflecting issues of national and provincial importance. One of the key objectives is therefore to ensure that there exists alignment between national and provincial priorities, policies and strategies and the Municipality's response to these requirements.

Table 21 MBRR Table SA4 - Reconciliation between the IDP strategic objectives and budgeted revenue

EC443 Mbizana - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)

EC443 Mbizana - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)													
Strategic Objective	Goal	Goal Code	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework			
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	
R thousand													
Good Governance & Institutional Support				543	427	476	76 599	82 180	82 180	367	389	412	
Financial Viability				90 019	113 743	120 859	20 208	50 606	50 606	219 387	206 550	207 748	
Local Economic Development				532	305	833	6 706	6 729	6 729	585	606	649	
Service Delivery				42 994	57 947	78 953	152 209	157 946	157 946	154 301	124 898	123 921	
Allocations to other priorities													
Total Revenue (excluding capital transfers and contributions)				1	134 087	172 422	201 122	255 722	297 462	297 462	374 640	332 443	332 730

Table 22 MBRR Table SA5 - Reconciliation between the IDP strategic objectives and budgeted operating expenditure

EC443 Mbizana - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)

EC443 Mbitana - Supporting Table SA5 Reconciliation of IOP strategic objectives and budget (operating expenditure)												
Strategic Objective	Goal	Goal Code	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand												
Good Governance & Institutional Support				43 853	59 866	54 302	76 599	82 180	82 180	82 172	87 055	92 231
Financial Viability				11 100	13 797	45 575	20 208	50 017	50 017	53 865	54 890	55 990
Local Economic Development				2 728	2 707	4 385	6 706	6 729	6 729	12 522	13 139	13 919
Service Delivery				61 098	48 702	80 398	152 209	158 536	158 536	88 553	93 125	99 061

Table 23 MBRR Table SA6 - Reconciliation between the IDP strategic objectives and budgeted capital expenditure

EC443 Mbizana - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)

EC443 Mbizana - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)													
Strategic Objective	Goal	Goal Code	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework			
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	
R thousand													
Good Governance & Institutional Support		A		8 246	-	0	3 331	2 631	2 631	7 844	6 429	6 777	
Financial Viability		B											
Local Economic Development		C		252	-	177	500	1 000	1 000	2 164	2 280	2 538	
Service Delivery		D		-	12 201	35 581	75 750	89 630	89 630	161 414	88 775	85 138	
		E											
		F											
		G											
		H											
		I											
		J											
		K											
		L											
		M											
		N											
		O											
		P											
Allocations to other priorities				3									
Total Capital Expenditure				1	8 498	12 201	35 758	79 581	93 261	93 261	171 421	97 485	94 453

2.3 Measurable performance objectives and indicators

Performance Management is a system intended to manage and monitor service delivery progress against the identified strategic objectives and priorities. The Municipality targets, monitors, assesses and reviews organisational performance.

At any given time within government, information from multiple years is being considered; plans and budgets for next year; implementation for the current year; and reporting on last year's performance. Although performance information is reported publicly during the last stage, the performance information process begins when policies are being developed, and continues through each of the planning, budgeting, implementation and reporting stages. The planning, budgeting and reporting cycle can be graphically illustrated as follows:

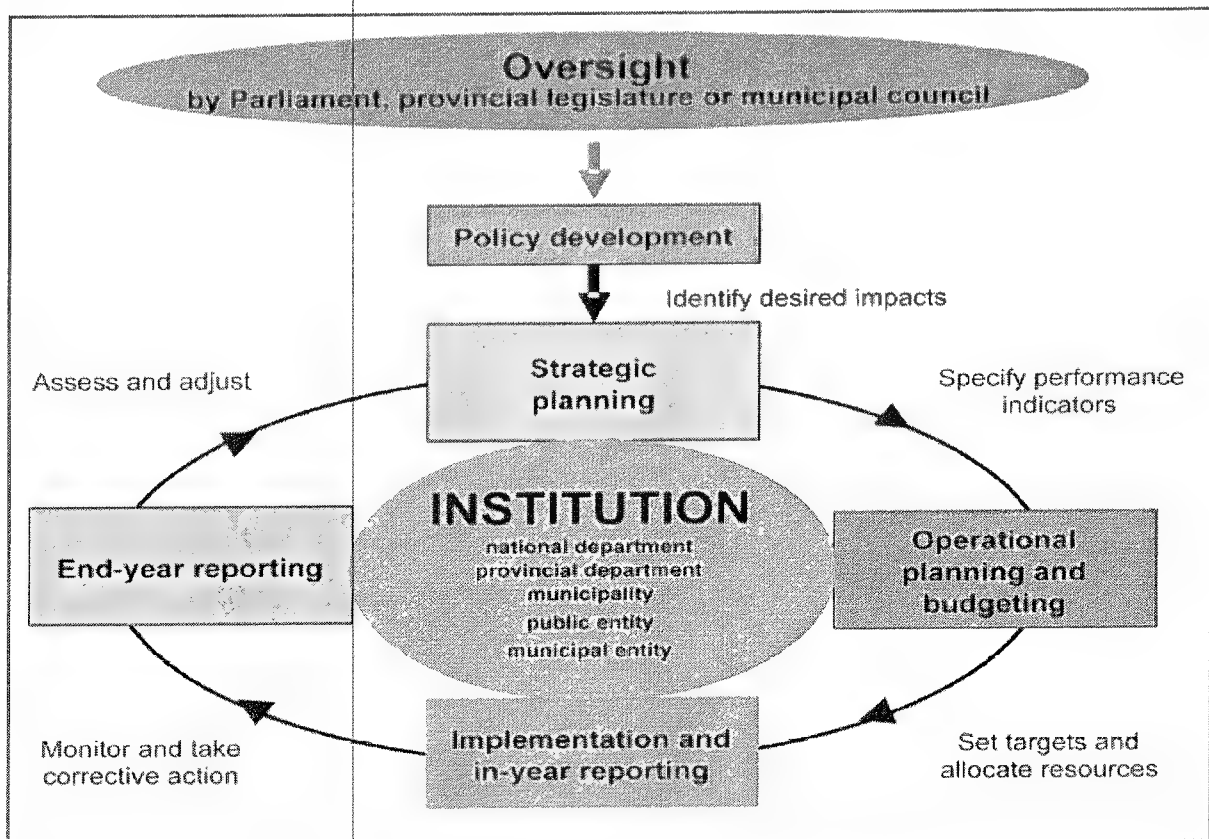


Figure 1 Planning, budgeting and reporting cycle

The performance information concepts used by the Municipality in its integrated performance management system are aligned to the *Framework of Managing Programme Performance Information* issued by the National Treasury:

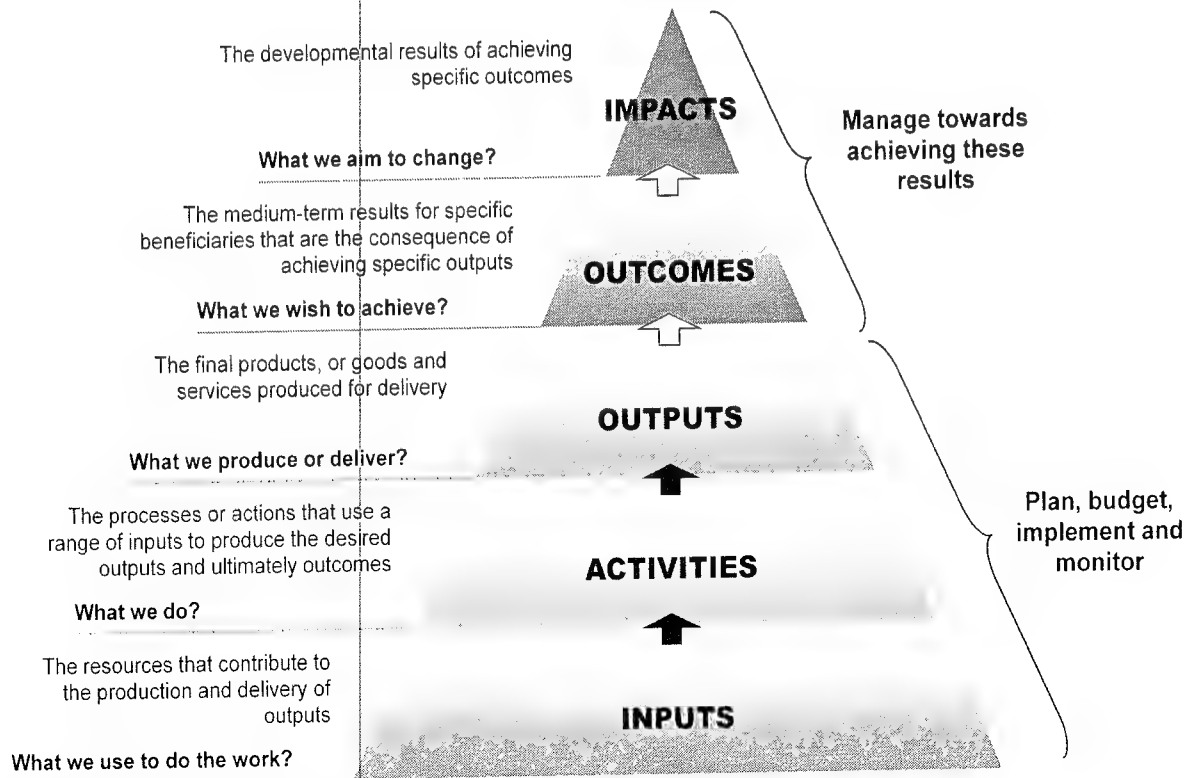


Figure 2 Definition of performance information concepts

2.4 Overview of budget related-policies

The municipality's budgeting process is guided and governed by relevant legislation, frameworks, strategies and related policies.

2.4.1 Review of credit control and debt collection procedures/policies

The credit control and debt collection policy was last reviewed with the preparation of the budget for the 2013/14 budget. This requires to be reviewed annually with the preparation of the annual budget and the MTREF. The review of the policy should go with the changing circumstances that are happening within the municipality. This ensures that the percentage that gets collected as a result of the effective policy is realised.

2.4.2 Asset Management, Infrastructure Investment and Funding Policy

A proxy for asset consumption can be considered the level of depreciation each asset incurs on an annual basis. Preserving the investment in existing infrastructure needs to be considered a significant strategy in ensuring the future sustainability of infrastructure and the municipality's revenue base. Within the framework, the need for asset renewal was considered a priority and hence the capital programme was determined based on renewal of current assets versus new asset construction.

The Asset Management, Infrastructure and Funding Policy is therefore considered a strategic guide in ensuring a sustainable approach to asset renewal, repairs and maintenance and is utilised as a guide to the selection and prioritisation of individual capital projects. In addition the policy prescribes the accounting and administrative policies and procedures relating to property, plant and equipment (fixed assets).

2.4.3 Budget Adjustment Policy

The adjustments budget process is governed by various provisions in the MFMA and is aimed at instilling and establishing an increased level of discipline, responsibility and accountability in the financial management practices of municipalities. To ensure that the municipality continues to deliver on its core mandate and achieves its developmental goals, the mid-year review and adjustment budget process will be utilised to ensure that underperforming functions are identified and funds redirected to performing functions.

2.4.4 Supply Chain Management Policy

The municipality committed in advancing the Secondary procurement goals as provided for under Section 217 of the Constitution and the PPPFA. To ensure the attainment of the secondary goals, the municipality shall ensure that each procurement demand made from each department shall develop a procurement strategy together with the specifications for the project. The envisaged procurement strategy must take into account the direct and indirect procurement system to be used.

The municipality shall further apply pre-qualification procurement system as a fair competitive procurement mechanism that supports emerging and small contractors/ service providers across all our services.

2.4.5 Budget Policy

The Budget and Virement Policy aims to empower senior managers with an efficient financial and budgetary amendment and control system to ensure optimum service delivery within the legislative framework of the MFMA and the municipality's system of delegations. The Budget policy was also last reviewed in the budget preparation process for the 2013/14 financial period.

2.4.6 Cash Management and Investment Policy

The municipality's cash management and investment policy looks at the daily management of cash and the handling of the excess cash that could be available. This talks to the types of accounts that the excess cash is deposited into.

2.4.7 Tariff Policies

The municipality's tariff policy provides a broad framework within which the Council can determine fair, transparent and affordable charges that also promote sustainable service delivery. The policy has also been reviewed in the past together with other budget related policies, but this gives the council

2.5 Expenditure on grants and reconciliations of unspent funds

Table 24 MBRR SA19 - Expenditure on transfers and grant programmes

EC443 Mbizana - Supporting Table SA19 Expenditure on transfers and grant programme

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand										
EXPENDITURE:	1									
Operating expenditure of Transfers and Grants										
National Government:		–	112 306	136 262	149 467	151 081	151 081	173 185	221 129	214 406
Local Government Equitable Share			98 860	106 463	126 027	126 027	126 027	145 251	181 912	181 688
Finance Management			1 450	594	1 550	2 456	2 456	1 600	1 650	1 700
Municipal Systems Improvement			996	342	890	1 348	1 348	934	967	1 018
EPWP Incentive			–	750	1 000	1 250	1 250	1 000		
Integrated National Electrification Programme			11 000	28 112	20 000	20 000	20 000	24 400	36 600	30 000
Other transfers/grants [insert description]										
Provincial Government:		–	1 191	798	–	461	461	362	355	381
Various			1 191	798		461	461	362	355	381
District Municipality:		–	150	200	–	700	700	–	–	–
Integrated Development Planning			150	200		200	200			
Spatial Development Framework						500	500			
Other grant providers:		–	–	–	–	–	–	–	–	–
[insert description]										
Total operating expenditure of Transfers and Grants:		–	113 647	137 259	149 467	152 241	152 241	173 547	221 484	214 787
Capital expenditure of Transfers and Grants										
National Government:		–	30 400	31 632	40 297	44 401	44 401	44 992	47 216	49 253
Municipal Infrastructure Grant (MIG)			30 400	31 632	40 297	44 401	44 401	44 992	47 216	49 253
Other capital transfers/grants [insert desc]										
Provincial Government:		–	–	–	–	–	–	–	–	–
Other capital transfers/grants [insert description]										
District Municipality:		–	–	–	–	–	–	–	–	–
Integrated Development Planning										
Other grant providers:		–	–	–	–	–	–	–	–	–
[insert description]										
Total capital expenditure of Transfers and Grants		–	30 400	31 632	40 297	44 401	44 401	44 992	47 216	49 253
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		–	144 047	168 891	189 764	196 643	196 643	218 539	268 700	264 040

2.6 Councillor and employee benefits

Table 25 MBRR SA22 - Summary of councillor and staff benefits

EC443 Mbizana - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand		A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)	1									
Basic Salaries and Wages		11 056	10 133	10 266	6 361	9 321	9 321	12 463	13 261	14 109
Pension and UIF Contributions		-	60	0	1 590	367	367			
Medical Aid Contributions		-	-	(1)	1 590	874	874			
Motor Vehicle Allowance		-	3 026	4 106	3 534	3 613	3 613	3 870	4 118	4 381
Cellphone Allowance		572	740	757	726	825	825	1 360	1 447	1 539
Housing Allowances						-				
Other benefits and allowances		60	117	1 070	1 461	998	998	774	823	876
Sub Total - Councillors		11 687	14 075	16 199	15 262	15 998	15 998	18 466	19 648	20 906
% increase	4		20,4%	15,1%	(5,8%)	4,8%	-	15,4%	6,4%	6,4%
Senior Managers of the Municipality	2									
Basic Salaries and Wages					5 647	5 647	5 647	6 031	6 417	6 828
Pension and UIF Contributions						-				
Medical Aid Contributions						-				
Overtime						-				
Performance Bonus						-				
Motor vehicle Allowance	3					-				
Cellphone Allowance	3				54	54	54	58	61	65
Housing Allowances	3					-				
Other benefits and allowances	3				5 146	5 146	5 146	5 496	5 847	6 222
Payments in lieu of leave						-				
Long service awards						-				
Post-retirement benefit obligations	6					-				
Sub Total - Senior Managers of Municipality		-	-	-	10 847	10 847	10 847	11 585	12 326	13 115
% increase	4		-	-	-	-	-	6,8%	6,4%	6,4%
Other Municipal Staff										
Basic Salaries and Wages		22 569	24 628	35 085	43 699	25 605	25 605	44 881	47 753	50 809
Pension and UIF Contributions		1 716	1 916	1 947	5 416	1 875	1 875	4 398	4 680	4 979
Medical Aid Contributions		983	1 093	1 238	2 109	1 346	1 346	2 663	2 833	3 015
Overtime		38	201	38	360	600	600	810	862	917
Performance Bonus		-	-	-		-				
Motor Vehicle Allowance	3	364	1 004	811	1 518	2 479	2 479	5 043	5 366	5 709
Cellphone Allowance	3	108	156	256	1 123	310	310	691	734	781
Housing Allowances	3	225	282	806	708	1 519	1 519	2 961	3 150	3 352
Other benefits and allowances	3	2 817	3 835	4 718	1 954	9 740	9 740	10	11	12
Payments in lieu of leave						-				
Long service awards						-				
Post-retirement benefit obligations	6					-				
Sub Total - Other Municipal Staff		28 817	33 114	44 899	56 889	43 474	43 474	61 458	65 390	69 575
% increase	4		14,9%	35,6%	26,7%	(23,6%)	-	41,4%	6,4%	6,4%
Total Parent Municipality		40 504	47 190	61 098	82 998	70 319	70 319	91 509	97 364	103 595
			16,5%	29,5%	35,8%	(15,3%)	-	30,1%	6,4%	6,4%

EC443 Mbizana - Supporting Table SA23 Salaries, allowances & benefits (political office bearers/councillors/senior managers)

2.7 Monthly targets for revenue, expenditure and cash flow

Table 27 MBRR SA25 - Budgeted monthly revenue and expenditure

EC443 Mbizana - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description	Ref	Budget Year 2014/15												Medium Term Revenue and Expenditure Framework		
		July	August	Sept	October	November	December	January	February	March	April	May	June	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand																
Revenue By Source																
Property rates		1 250	1 250	1 250	1 250	1 250	1 250	1 250	1 250	1 250	1 250	1 250	1 250	15 000	15 900	16 845
Property rates - penalties & collection charges		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Service charges - electricity revenue		2 777	2 777	2 777	2 777	2 777	2 777	2 777	2 777	2 777	2 777	2 777	2 777	33 328	35 781	38 414
Service charges - water revenue		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Service charges - sanitation revenue		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Service charges - refuse revenue		100	100	100	100	100	100	100	100	100	100	100	100	1 200	1 272	1 348
Service charges - other		1	1	1	1	1	1	1	1	1	1	1	1	11	12	13
Rental of facilities and equipment		61	61	61	61	61	61	61	61	61	61	61	61	729	774	819
Interest earned - external investments		419	419	419	419	419	419	419	419	419	419	419	419	5 026	5 328	5 648
Interest earned - outstanding debtors		8	8	8	8	8	8	8	8	8	8	8	8	97	103	109
Dividends received		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Fines		44	44	44	44	44	44	44	44	44	44	44	44	527	559	593
Licences and permits		194	194	194	194	194	194	194	194	194	194	194	194	2 333	2 473	2 622
Agency services		71	71	71	71	71	71	71	71	71	71	71	71	849	900	954
Transfers recognised - operational		12 616	12 616	12 616	12 616	12 616	12 616	12 616	12 616	12 616	12 616	12 616	12 616	151 397	187 245	187 250
Other revenue		8 083	8 083	8 083	8 083	8 083	8 083	8 083	8 083	8 083	8 083	8 083	8 083	97 000	1 241	1 326
Gains on disposal of PPE		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total Revenue (excluding capital transfers and contribution)		25 625	25 625	25 625	25 625	25 625	25 625	25 625	25 625	25 625	25 625	25 625	25 625	307 497	251 587	255 940
Expenditure By Type																
Employee related costs		6 104	6 104	6 104	6 104	6 104	6 104	6 104	6 104	6 104	6 104	6 104	6 104	73 042	77 716	82 690
Remuneration of councillors		1 539	1 539	1 539	1 539	1 539	1 539	1 539	1 539	1 539	1 539	1 539	1 539	18 466	19 648	20 906
Debt impairment		336	336	336	336	336	336	336	336	336	336	336	336	4 036	4 036	4 036
Depreciation & asset impairment		2 506	2 506	2 506	2 506	2 506	2 506	2 506	2 506	2 506	2 506	2 506	2 506	30 068	30 068	30 068
Finance charges		113	113	113	113	113	113	113	113	113	113	113	113	1 350	1 350	1 350
Bulk purchases		1 846	1 846	1 846	1 846	1 846	1 846	1 846	1 846	1 846	1 846	1 846	1 846	22 152	23 938	25 867
Other materials		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Contracted services		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Transfers and grants		292	292	292	292	292	292	292	292	292	292	292	292	3 500	3 689	3 888
Other expenditure		21 495	21 495	21 495	21 495	21 495	21 495	21 495	21 495	21 495	21 495	21 495	21 495	255 918	185 250	186 850
Loss on disposal of PPE		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total Expenditure		34 231	34 231	34 231	34 231	34 231	34 231	34 231	34 231	34 231	34 231	34 231	34 231	408 533	345 594	355 654
Surplus/(Deficit)		(8 606)	(8 606)	(8 606)	(8 606)	(8 606)	(8 606)	(8 606)	(8 606)	(8 606)	(8 606)	(8 606)	(8 606)	(101 035)	(94 107)	(99 715)
Transfers recognised - capital		5 595	5 595	5 595	5 595	5 595	5 595	5 595	5 595	5 595	5 595	5 595	5 595	67 142	80 855	76 790
Contributions recognised - capital		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Contributed assets		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Surplus/(Deficit) after capital transfers & contributions		(3 011)	(3 011)	(3 011)	(3 011)	(3 011)	(3 011)	(3 011)	(3 011)	(3 011)	(3 011)	(3 011)	(3 011)	(33 893)	(13 252)	(22 924)
Taxation		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Attributable to minorities		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Share of surplus/ (deficit) of associate		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Surplus/(Deficit)	1	(3 011)	(3 011)	(3 011)	(3 011)	(3 011)	(3 011)	(3 011)	(3 011)	(3 011)	(3 011)	(3 011)	(3 011)	(33 893)	(13 252)	(22 924)

Table 28 MBRR SA26 - Budgeted monthly revenue and expenditure (municipal vote)

EC443 Mbizana - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)

L0433 mizurana - supporting table on budgeted monthly revenue and expenditure (municipal vote)																	
R thousand	Description	Ref	Budget Year 2014/15												Medium Term Revenue and Expenditure Framework		
			July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Revenue by Vote																	
	Vote 1 - EXECUTIVE & COUNCIL		18 282	18 282	18 282	18 282	18 282	18 282	18 282	18 282	18 282	18 282	18 282	18 282	219 387	206 550	207 748
	Vote 2 - BUDGET & TREASURY		31	31	31	31	31	31	31	31	31	31	31	31	367	389	412
	Vote 3 - CORPORATE SERVICES		474	474	474	474	474	474	474	474	474	474	474	474	5 691	4 958	5 253
	Vote 4 - COMMUNITY & SOCIAL SERVICES		12 416	12 416	12 416	12 416	12 416	12 416	12 416	12 416	12 416	12 416	12 416	12 416	148 998	120 352	119 104
	Vote 5 - ENGINEERING SERVICES		16	16	16	16	16	16	16	16	16	16	16	16	197	195	213
	Vote 6 - DEVELOPMENT PLANNING																
	Vote 7 - [NAME OF VOTE 7]																
	Vote 8 - [NAME OF VOTE 8]																
	Vote 9 - [NAME OF VOTE 9]																
	Vote 10 - [NAME OF VOTE 10]																
	Vote 11 - [NAME OF VOTE 11]																
	Vote 12 - [NAME OF VOTE 12]																
	Vote 13 - [NAME OF VOTE 13]																
	Vote 14 - [NAME OF VOTE 14]																
	Vote 15 - [NAME OF VOTE 15]																
Total Revenue by Vote			31 220	31 220	31 220	31 220	31 220	31 220	31 220	31 220	31 220	31 220	31 220	31 220	374 640	332 443	332 730
Expenditure by Vote to be appropriated																	
	Vote 1 - EXECUTIVE & COUNCIL		4 487	4 487	4 487	4 487	4 487	4 487	4 487	4 487	4 487	4 487	4 487	4 487	54 552	56 779	60 202
	Vote 2 - BUDGET & TREASURY		4 489	4 489	4 489	4 489	4 489	4 489	4 489	4 489	4 489	4 489	4 489	4 489	53 865	54 890	55 990
	Vote 3 - CORPORATE SERVICES		2 893	2 893	2 893	2 893	2 893	2 893	2 893	2 893	2 893	2 893	2 893	2 893	34 720	36 706	38 805
	Vote 4 - COMMUNITY & SOCIAL SERVICES		3 515	3 515	3 515	3 515	3 515	3 515	3 515	3 515	3 515	3 515	3 515	3 515	41 462	41 743	44 242
	Vote 5 - ENGINEERING SERVICES		17 554	17 554	17 554	17 554	17 554	17 554	17 554	17 554	17 554	17 554	17 554	17 554	210 643	141 627	141 506
	Vote 6 - DEVELOPMENT PLANNING		1 124	1 124	1 124	1 124	1 124	1 124	1 124	1 124	1 124	1 124	1 124	1 124	13 291	13 950	14 909
	Vote 7 - [NAME OF VOTE 7]																
	Vote 8 - [NAME OF VOTE 8]																
	Vote 9 - [NAME OF VOTE 9]																
	Vote 10 - [NAME OF VOTE 10]																
	Vote 11 - [NAME OF VOTE 11]																
	Vote 12 - [NAME OF VOTE 12]																
	Vote 13 - [NAME OF VOTE 13]																
	Vote 14 - [NAME OF VOTE 14]																
	Vote 15 - [NAME OF VOTE 15]																
Total Expenditure by Vote			34 062	34 062	34 062	34 062	34 062	34 062	34 062	34 062	34 062	34 062	34 062	34 062	408 533	345 694	355 654
Surplus/(Deficit) before assoc.			(2 842)	(2 842)	(2 842)	(2 842)	(2 842)	(2 842)	(2 842)	(2 842)	(2 842)	(2 842)	(2 842)	(2 842)	(33 893)	(13 252)	(22 924)
Taxation																	
Attributable to minorities																	
Share of surplus/ (deficit) of associate																	
Surplus/(Deficit)			1	(2 842)	(2 842)	(2 842)	(2 842)	(2 842)	(2 842)	(2 842)	(2 842)	(2 842)	(2 842)	(2 842)	(33 893)	(13 252)	(22 924)

Table 29 MBRR SA27 - Budgeted monthly revenue and expenditure (standard classification)

EC443 Mbizana - Supporting Table SA27 Budgeted monthly revenue and expenditure (standard classification)																	
R thousand	Description	Ref	Budget Year 2014/15												Medium Term Revenue and Expenditure Framework		
			July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Revenue - Standard																	
	Governance and administration		18 313	18 313	18 313	18 313	18 313	18 313	18 313	18 313	18 313	18 313	18 313	18 313	219 754	206 938	208 160
	Executive and council		18 282	18 282	18 282	18 282	18 282	18 282	18 282	18 282	18 282	18 282	18 282	18 282	219 387	206 550	207 748
	Budget and treasury office		31	31	31	31	31	31	31	31	31	31	31	31	367	389	412
	Corporate services		55	55	55	55	55	55	55	55	55	55	55	55	658	682	721
	Community and public safety		28	28	28	28	28	28	28	28	28	28	28	28	340	345	364
	Community and social services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Sport and recreation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Public safety		27	27	27	27	27	27	27	27	27	27	27	27	318	337	357
	Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Economic and environmental services		4 094	4 094	4 094	4 094	4 094	4 094	4 094	4 094	4 094	4 094	4 094	4 094	49 125	51 583	53 889
	Planning and development		49	49	49	49	49	49	49	49	49	49	49	49	585	606	649
	Road transport		4 045	4 045	4 045	4 045	4 045	4 045	4 045	4 045	4 045	4 045	4 045	4 045	48 540	50 977	53 240
	Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Trading services		8 759	8 759	8 759	8 759	8 759	8 759	8 759	8 759	8 759	8 759	8 759	8 759	105 103	73 239	69 960
	Electricity		8 575	8 575	8 575	8 575	8 575	8 575	8 575	8 575	8 575	8 575	8 575	8 575	102 903	71 967	68 612
	Water		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Waste water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Waste management		183	183	183	183	183	183	183	183	183	183	183	183	2 200	1 272	1 348
	Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total Revenue - Standard		31 220	31 220	31 220	31 220	31 220	31 220	31 220	31 220	31 220	31 220	31 220	31 220	374 640	332 443	332 730
Expenditure - Standard																	
	Governance and administration		11 990	11 990	11 990	11 990	11 990	11 990	11 990	11 990	11 990	11 990	11 990	11 990	143 881	148 375	154 997
	Executive and council		4 546	4 546	4 546	4 546	4 546	4 546	4 546	4 546	4 546	4 546	4 546	4 546	54 552	56 779	60 202
	Budget and treasury office		4 489	4 489	4 489	4 489	4 489	4 489	4 489	4 489	4 489	4 489	4 489	4 489	53 865	54 890	55 990
	Corporate services		2 955	2 955	2 955	2 955	2 955	2 955	2 955	2 955	2 955	2 955	2 955	2 955	35 464	36 706	38 805
	Community and public safety		2 008	2 008	2 008	2 008	2 008	2 008	2 008	2 008	2 008	2 008	2 008	2 008	24 091	24 009	25 453
	Community and social services		1 653	1 653	1 653	1 653	1 653	1 653	1 653	1 653	1 653	1 653	1 653	1 653	19 839	21 037	22 321
	Sport and recreation		9	9	9	9	9	9	9	9	9	9	9	9	105	111	117
	Public safety		346	346	346	346	346	346	346	346	346	346	346	346	4 147	2 861	3 016
	Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Economic and environmental services		9 528	9 528	9 528	9 528	9 528	9 528	9 528	9 528	9 528	9 528	9 528	9 528	114 341	93 518	98 330
	Planning and development		1 224	1 224	1 224	1 224	1 224	1 224	1 224	1 224	1 224	1 224	1 224	1 224	14 685	15 419	16 468
	Road transport		8 220	8 220	8 220	8 220	8 220	8 220	8 220	8 220	8 220	8 220	8 220	8 220	98 634	77 022	80 737
	Environmental protection		85	85	85	85	85	85	85	85	85	85	85	85	1 022	1 077	1 135
	Trading services		10 518	10 518	10 518	10 518	10 518	10 518	10 518	10 518	10 518	10 518	10 518	10 518	126 220	79 793	76 874
	Electricity		9 277	9 277	9 277	9 277	9 277	9 277	9 277	9 277	9 277	9 277	9 277	9 277	111 328	65 060	61 249
	Water		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Waste water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Waste management		1 241	1 241	1 241	1 241	1 241	1 241	1 241	1 241	1 241	1 241	1 241	1 241	14 892	14 733	15 625
	Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total Expenditure - Standard		34 044	34 044	34 044	34 044	34 044	34 044	34 044	34 044	34 044	34 044	34 044	34 044	408 533	345 694	355 654
	Surplus/(Deficit) before assoc.		(2 824)	(2 824)	(2 824)	(2 824)	(2 824)	(2 824)	(2 824)	(2 824)	(2 824)	(2 824)	(2 824)	(2 824)	(33 893)	(13 252)	(22 924)
	Share of surplus/(deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Surplus/(Deficit)	1	(2 824)	(2 824)	(2 824)	(2 824)	(2 824)	(2 824)	(2 824)	(2 824)	(2 824)	(2 824)	(2 824)	(2 824)	(33 893)	(13 252)	(22 924)

Table 30 MBRR SA28 - Budgeted monthly capital expenditure (municipal vote)

EC443 Mbizana - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)

R thousand	Description	Ref	Budget Year 2014/15												Medium Term Revenue and Expenditure Framework		
			July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
1	Multi-year expenditure to be appropriated																
	Vote 1 - EXECUTIVE & COUNCIL																
	Vote 2 - BUDGET & TREASURY																
	Vote 3 - CORPORATE SERVICES																
	Vote 4 - COMMUNITY & SOCIAL SERVICES																
	Vote 5 - ENGINEERING SERVICES																
	Vote 6 - DEVELOPMENT PLANNING																
	Vote 7 - [NAME OF VOTE 7]																
	Vote 8 - [NAME OF VOTE 8]																
	Vote 9 - [NAME OF VOTE 9]																
	Vote 10 - [NAME OF VOTE 10]																
	Vote 11 - [NAME OF VOTE 11]																
	Vote 12 - [NAME OF VOTE 12]																
	Vote 13 - [NAME OF VOTE 13]																
	Vote 14 - [NAME OF VOTE 14]																
	Vote 15 - [NAME OF VOTE 15]																
2	Capital multi-year expenditure sub-total																
	Single-year expenditure to be appropriated																
	Vote 1 - EXECUTIVE & COUNCIL		83	83	83	83	83	83	83	83	83	83	83	83	1 000		
	Vote 2 - BUDGET & TREASURY		-	-	-	-	-	-	-	-	-	-	-	-	-		
	Vote 3 - CORPORATE SERVICES		508	508	508	508	508	508	508	508	508	508	508	508	6 100	6 429	6 777
	Vote 4 - COMMUNITY & SOCIAL SERVICES		420	420	420	420	420	420	420	420	420	420	420	420	5 045	4 197	4 424
	Vote 5 - ENGINEERING SERVICES		13 093	13 093	13 093	13 093	13 093	13 093	13 093	13 093	13 093	13 093	13 093	13 093	157 113	84 578	80 715
	Vote 6 - DEVELOPMENT PLANNING		180	180	180	180	180	180	180	180	180	180	180	180	2 164	2 280	2 538
	Vote 7 - [NAME OF VOTE 7]																
	Vote 8 - [NAME OF VOTE 8]																
	Vote 9 - [NAME OF VOTE 9]																
	Vote 10 - [NAME OF VOTE 10]																
	Vote 11 - [NAME OF VOTE 11]																
	Vote 12 - [NAME OF VOTE 12]																
	Vote 13 - [NAME OF VOTE 13]																
	Vote 14 - [NAME OF VOTE 14]																
	Vote 15 - [NAME OF VOTE 15]																
Capital single-year expenditure sub-total			14 285	14 285	14 285	14 285	14 285	14 285	14 285	14 285	14 285	14 285	14 285	14 285	171 421	97 485	94 433
Total Capital Expenditure			14 285	14 285	14 285	14 285	14 285	14 285	14 285	14 285	14 285	14 285	14 285	14 285	171 421	97 485	94 433

Table 31 MBRR SA29 - Budgeted monthly capital expenditure (standard classification)

EC443 Mbizana - Supporting Table SA29 Budgeted monthly capital expenditure (standard classification)

Description	Ref	Budget Year 2014/15												Medium Term Revenue and Expenditure Framework			
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	
R thousand		1															
Capital Expenditure - Standard																	
Governance and administration																	
Executive and council																	
Budget and treasury office																	
Corporate services																	
Community and public safety																	
Community and social services																	
Sport and recreation																	
Public safety																	
Housing																	
Health																	
Economic and environmental services																	
Planning and development																	
Road transport																	
Environmental protection																	
Trading services																	
Electricity																	
Water																	
Waste water management																	
Waste management																	
Other																	
Total Capital Expenditure - Standard		2															
Funded by:																	
National Government																	
Provincial Government																	
District Municipality																	
Other transfers and grants																	
Transfers recognised - capital																	
Public contributions & donations																	
Borrowing																	
Internally generated funds																	
Total Capital Funding																	

Table 32 MBRR SA30 - Budgeted monthly cash flow

EC443 Mbizana - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS		Budget Year 2014/15												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Cash Receipts by Source																
Property rates		1 011	1 011	1 011	1 011	1 011	1 011	1 011	1 011	1 011	1 011	1 011	1 011	1	12 855	13 627
Property rates - penalties & collection charges																
Service charges - electricity revenue		2 777	2 777	2 777	2 777	2 777	2 777	2 777	2 777	2 777	2 777	2 777	2 777		35 781	38 414
Service charges - water revenue																
Service charges - sanitation revenue																
Service charges - refuse revenue		78	78	78	78	78	78	78	78	78	78	78	78	941	998	1 057
Service charges - other		1	1	1	1	1	1	1	1	1	1	1	1	1	12	13
Rental of facilities and equipment		61	61	61	61	61	61	61	61	61	61	61	61	729	779	849
Interest earned - external investments		361	361	361	361	361	361	361	361	361	361	361	361	4 336	4 596	4 872
Interest earned - outstanding debtors		8	8	8	8	8	8	8	8	8	8	8	8	97	103	109
Dividends received																
Fines		44	44	44	44	44	44	44	44	44	44	44	44	527	559	593
Licences and permits		130	130	130	130	130	130	130	130	130	130	130	130	1 565	1 658	1 758
Agency services		56	56	56	56	56	56	56	56	56	56	56	56	667	707	749
Transfer receipts - operational		75 698				37 849				37 849				151 397	187 245	187 250
Other revenue		98	98	98	98	98	98	98	98	98	98	98	98	1 172	1 242	1 317
Cash Receipts by Source		80 323	4 625	4 625	4 625	42 474	4 625	4 625	4 625	42 474	4 625	4 625	4 625	206 897	246 529	250 577
Other Cash Flows by Source																
Transfer receipts - capital		33 571				16 786				16 786				67 142	80 855	76 790
Contributions recognised - capital & contributed assets																
Proceeds on disposal of PPE																
Short term loans																
Borrowing long term/refinancing																
Increase (decrease) in consumer deposits																
Decrease (increase) in non-current debtors				11 250				11 250			11 250		11 250	45 000		
Decrease (increase) in non-current receivables																
Decrease (increase) in non-current investments																
Total Cash Receipts by Source		113 895	4 625	15 875	4 625	59 260	4 625	15 875	4 625	59 260	15 875	4 625	15 875	319 039	327 384	327 368
Cash Payments by Type																
Employee related costs		6 087	6 087	6 087	6 087	6 087	6 087	6 087	6 087	6 087	6 087	6 087	6 087	73 042	77 716	82 690
Remuneration of councillors		1 539	1 539	1 539	1 539	1 539	1 539	1 539	1 539	1 539	1 539	1 539	1 539	18 466	19 648	20 906
Finance charges			450	450				450					450	1 350	1 350	1 350
Bulk purchases - Electricity		1 706	1 706	1 706	1 706	1 706	1 706	1 706	1 706	1 706	1 706	1 706	1 706	20 471	22 121	23 904
Bulk purchases - Water & Sewer																
Other materials																
Contracted services																
Transfers and grants - other municipalities																
Transfers and grants - other		292	292	292	292	292	292	292	292	292	292	292	292	3 500	3 689	3 888
Other expenditure		7 182	7 182	7 182	7 182	7 182	7 182	7 182	7 182	7 182	7 182	7 182	7 182	86 179	89 592	94 360
Cash Payments by Type		16 805	16 805	17 255	16 805	16 805	16 805	17 255	16 805	16 805	16 805	16 805	17 255	203 008	214 106	227 098
Other Cash Flows/Payments by Type																
Capital assets		14 285	14 285	14 285	14 285	14 285	14 285	14 285	14 285	14 285	14 285	14 285	14 285	171 421	97 485	94 453
Repayment of borrowing														25 650	19 350	
Other Cash Flows/Payments																
Total Cash Payments by Type		31 090	31 090	31 540	31 090	31 090	31 090	31 540	31 090	31 090	31 090	31 090	31 540	374 429	337 241	340 901
NET INCREASE/DECREASE IN CASH HELD		82 805	(26 465)	(15 665)	(26 465)	28 170	(26 465)	(15 665)	(26 465)	28 170	(15 215)	(26 465)	(15 665)	(55 390)	(9 857)	(13 533)
Cash/cash equivalents at the month/year begin:		118 814	201 618	175 153	159 688	133 023	161 193	134 728	119 064	92 599	105 554	79 089	63 424	63 424	53 567	40 034
Cash/cash equivalents at the month/year end:		201 618	175 153	159 488	133 023	161 193	134 728	119 064	92 599	120 768	105 554	79 089	63 424	63 424	53 567	40 034

2.8 Capital expenditure details

The following tables present details of the Municipality's capital expenditure programme, firstly on new assets, then on the repair and maintenance of assets.

Table 33 MBRR SA 34a - Capital expenditure on new assets by asset class

EC443 Mbizana - Supporting Table SA34a Capital expenditure on new assets by asset class

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year+1 2015/16	Budget Year+2 2016/17
R thousand	1									
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		-	-	-	68 097	79 887	79 887	148 480	84 966	81 123
Infrastructure - Road transport		-	-	-	40 297	42 382	42 382	58 167	44 855	46 790
Roads, Pavements & Bridges					40 297	42 382	42 382	58 167	44 855	46 790
Storm water						-				
Infrastructure - Electricity		-	-	-	22 800	35 705	35 705	85 413	36 000	30 000
Generation						-				
Transmission & Reticulation					22 000	35 705	35 705	84 300	36 000	30 000
Street Lighting					800	-		1 113		
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Dams & Reservoirs										
Water purification										
Reticulation										
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Reticulation										
Sewerage purification										
Infrastructure - Other		-	-	-	5 000	1 800	1 800	4 900	4 110	4 332
Waste Management					3 000	1 800	1 800	2 897	2 000	2 108
Transportation	2				2 000	-		2 003	2 111	2 225
Gas						-				
Other	3									
Community		-	-	-	5 053	7 611	7 611	6 813	1 574	1 659
Parks & gardens						-				
Sportsfields & stadia						-				
Swimming pools						-				
Community halls					2 400	2 400	2 400	5 779	821	866
Libraries						-				
Recreational facilities					1 200	11	11			
Fire, safety & emergency						-				
Security and policing					200	400	400	534	226	238
Buses	7					-				
Clinics						-				
Museums & Art Galleries						-				
Cemeteries						-		500	527	555
Social rental housing	8					-				
Other					1 253	4 800	4 800			
Heritage assets		-	-	-	-	-	-	-	-	-
Buildings										
Other	9									
Investment properties		-	-	-	-	-	-	-	-	-
Housing development										
Other										
Other assets		-	-	-	6 731	5 764	5 764	16 128	10 945	11 671
General vehicles					1 631	1 731	1 731	4 400	3 584	3 777
Specialised vehicles		-	-	-	-	-	-	-	-	-
Plant & equipment					1 100	333	333	351	370	390
Computers - hardware/equipment					1 800	1 200	1 200	1 844	1 159	1 222
Furniture and other office equipment					1 000	300	300	2 000	2 108	2 222
Abattoirs						-				
Markets						-				
Civic Land and Buildings					1 200	2 200	2 200	4 211	222	234
Other Buildings						-				
Other Land						-				
Surplus Assets - (Investment or Inventory)						-				
Other						-		3 323	3 502	3 826
Agricultural assets		-	-	-	-	-	-	-	-	-
List sub-class										
Biological assets		-	-	-	-	-	-	-	-	-
List sub-class										
Intangibles		-	-	-	-	-	-	-	-	-
Computers - software & programming										
Other (List sub-class)										
Total Capital Expenditure on new assets	1	-	-	-	79 881	93 261	93 261	171 421	97 485	94 453

Table 34 MBRR SA34c - Repairs and maintenance expenditure by asset class

EC443 Mbizana - Supporting Table SA34c Repairs and maintenance expenditure by asset class

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand	1									
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		-	-	-	11 755	15 019	15 019	18 193	19 175	20 211
Infrastructure - Road transport		-	-	-	11 000	14 514	14 514	17 800	18 761	19 774
Roads, Pavements & Bridges					11 000	14 514	14 514	17 800	18 761	19 774
Storm water										
Infrastructure - Electricity		-	-	-	605	354	354	393	414	436
Generation										
Transmission & Reticulation					500	299	299	393	414	436
Street Lighting					105	55	55	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Dams & Reservoirs										
Water purification										
Reticulation										
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Reticulation										
Sewerage purification										
Infrastructure - Other		-	-	-	150	150	150	-	-	-
Waste Management					150	150	150	-	-	-
Transportation	2									
Gas										
Other	3									
Community		-	-	-	-	-	-	-	-	-
Parks & gardens										
Sportsfields & stadia										
Swimming pools										
Community halls										
Libraries										
Recreational facilities										
Fire, safety & emergency										
Security and policing	7									
Buses										
Clinics										
Museums & Art Galleries										
Cemeteries										
Social rental housing	8									
Other										
Heritage assets		-	-	-	-	-	-	-	-	-
Buildings										
Other	9									
Investment properties		-	-	-	-	-	-	-	-	-
Housing development										
Other										
Other assets		-	-	-	1 723	1 783	1 783	2 106	2 220	2 340
General vehicles					582	682	682	1 148	1 209	1 275
Specialised vehicles		-	-	-	-	-	-	-	-	-
Plant & equipment					122	82	82	130	137	144
Computers - hardware/equipment					20	20	20	50	53	56
Furniture and other office equipment										
Abattoirs										
Markets										
Civic Land and Buildings					1 000	1 000	1 000	779	821	866
Other Buildings										
Other Land										
Surplus Assets - (Investment or Inventory)										
Other										
Agricultural assets		-	-	-	-	-	-	-	-	-
List sub-class										
Biological assets		-	-	-	-	-	-	-	-	-
List sub-class										
Intangibles		-	-	-	-	-	-	-	-	-
Computers - software & programming										
Other (list sub-class)										
Total Repairs and Maintenance Expenditure	1	-	-	-	13 479	16 802	16 802	20 299	21 395	22 551

2.9 Other supporting documents

Table 35 MBRR Table SA2 – Matrix financial performance budget (revenue source/expenditure type and department)

EC443 Mbizana - Supporting Table SA2 Matrix Financial Performance Budget (revenue source/expenditure type and dept.)

R thousand	Description	Ref	Vote 1 - EXECUTIVE & COUNCIL	Vote 2 - BUDGET & TREASURY	Vote 3 - CORPORATE SERVICES	Vote 4 - COMMUNITY & SOCIAL SERVICES	Vote 5 - ENGINEERING & SERVICES	Vote 6 - DEVELOPMENT PLANNING	Vote 7 - (NAME OF VOTE 7)	Vote 8 - (NAME OF VOTE 8)	Vote 9 - (NAME OF VOTE 9)	Vote 10 - (NAME OF VOTE 10)	Vote 11 - (NAME OF VOTE 11)	Vote 12 - (NAME OF VOTE 12)	Vote 13 - (NAME OF VOTE 13)	Vote 14 - (NAME OF VOTE 14)	Vote 15 - (NAME OF VOTE 15)	Total
	Revenue By Source	1																
	Property rates			15 000														15 000
	Property rates - penalties & collection charges																	-
	Service charges - electricity revenue							33 328										33 328
	Service charges - water revenue																	-
	Service charges - sanitation revenue																	-
	Service charges - refuse revenue																	-
	Service charges - other																	1 200
	Rental of facilities and equipment																	11
	Interest earned - external investments			651														729
	Interest earned - outstanding debtors			5 026														5 026
	Dividends received			97														97
	Fines			-														-
	Licences and permits																	527
	Agency services																	2 333
	Other revenue																	849
	Transfers recognised - operational			50 828														97 000
	Gains on disposal of PPE			147 785														151 397
	Total Revenue (excluding capital transfers and contribution)		-	219 387	367	5 691	81 636	197	-	-	-	-	-	-	-	-	-	307 497
	Expenditure By Type																	
	Employee related costs		15 061	8 527	11 052	23 059	9 382	5 961										73 042
	Remuneration of councillors		18 466															18 466
	Debt impairment			4 036														4 036
	Depreciation & asset impairment			30 068														30 068
	Finance charges			1 350														1 350
	Bulk purchases																	20 471
	Other materials																	-
	Contracted services																	-
	Transfers and grants																	-
	Other expenditure		21 024	9 884	23 668	14 903	180 791	7 329										3 500
	Loss on disposal of PPE																	257 600
	Total Expenditure		54 552	53 865	34 720	41 462	210 643	13 291	-	-	-	-	-	-	-	-	-	405 533
	Surplus/(Deficit)		(54 552)	165 522	(34 354)	(35 771)	(128 786)	(13 094)	-	-	-	-	-	-	-	-	-	(101 035)
	Transfers recognised - capital																	67 142
	Contributions recognised - capital																	-
	Contributed assets																	-
	Surplus/(Deficit) after capital transfers & contributions		(54 552)	165 522	(34 354)	(35 771)	(61 646)	(13 094)	-	-	-	-	-	-	-	-	-	(33 893)

Table 36 MBRR Table SA3 – Supporting detail to Statement of Financial Position

EC443 Mbizana - Supporting Table SA3 Supporting detail to 'Budgeted Financial Position'

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand										
ASSETS										
<u>Call investment deposits</u>										
Call deposits < 90 days		44 276	73 284	116 485	116 485	108 683	108 683	55 434	75 434	85 434
Other current investments > 90 days										
Total Call investment deposits	2	44 276	73 284	116 485	116 485	108 683	108 683	55 434	75 434	85 434
<u>Consumer debtors</u>										
Consumer debtors		12 755	13 693	16 235	13 635	13 635	13 635	13 635	13 635	13 635
Less: Provision for debt impairment		(3 032)	(4 832)	(6 636)	(4 036)	(4 036)	(4 036)	(4 036)	(4 036)	(4 036)
Total Consumer debtors	2	9 723	8 861	9 599	9 599	9 599	9 599	9 599	9 599	9 599
<u>Debt impairment provision</u>										
Balance at the beginning of the year										
Contributions to the provision					4 036	4 036	4 036	4 036	4 036	4 036
Bad debts written off										
Balance at end of year					4 036	4 036	4 036	4 036	4 036	4 036
<u>Property, plant and equipment (PPE)</u>										
PPE at cost/valuation (excl. finance leases)		301 937	344 523	352 330	291 206	304 887	304 887	476 308	573 793	668 247
Leases recognised as PPE										
Less: Accumulated depreciation		69 194	85 120	107 930				30 068	60 135	90 203
Total Property, plant and equipment (PPE)	2	232 743	259 403	244 400	291 206	304 887	304 887	446 241	513 658	578 044
LIABILITIES										
<u>Current liabilities - Borrowing</u>										
Short term loans (other than bank overdraft)										
Current portion of long-term liabilities										
Total Current liabilities - Borrowing										
<u>Trade and other payables</u>										
Trade and other creditors		7 127	5 325	19 953	328	328	328	328	328	328
Unspent conditional transfers		8 665	5 174	12 552	9 648	2 422	2 422			
VAT										
Total Trade and other payables	2	15 792	10 499	32 505	9 976	2 750	2 750	328	328	328
<u>Non current liabilities - Borrowing</u>										
Borrowing								45 000	19 350	
Finance leases (including PPP asset element)					12 552	12 552	12 552	12 552	12 552	12 552
Total Non current liabilities - Borrowing	4				12 552	12 552	12 552	57 552	31 902	12 552
<u>Provisions - non-current</u>										
Retirement benefits										
List other major provision items										
Refuse landfill site rehabilitation										
Other										
Total Provisions - non-current										
CHANGES IN NET ASSETS										
<u>Accumulated Surplus/(Deficit)</u>										
Accumulated Surplus/(Deficit) - opening balance			227 126	233 487	239 820	260 727	260 727	437 789	508 943	601 707
GRAP adjustments					62 462	62 462	62 462			
Restated balance			227 126	233 487	302 282	323 188	323 188	437 789	508 943	601 707
Surplus/(Deficit)		15 309	47 350	16 464	0	(0)	(0)	(33 893)	(13 252)	(22 924)
Appropriations to Reserves										
Transfers from Reserves										
Depreciation offsets										
Other adjustments										
Accumulated Surplus/(Deficit)	1	15 309	274 476	249 951	302 282	323 188	323 188	403 896	495 691	578 783
<u>Reserves</u>										
Housing Development Fund										
Capital replacement										
Self-insurance										
Surplus Cash		35 611	68 110	103 933	114 063	106 261	106 261	55 434	75 434	85 434
Revaluation										
Total Reserves	2	35 611	68 110	103 933	114 063	106 261	106 261	55 434	75 434	85 434
TOTAL COMMUNITY WEALTH/EQUITY	2	50 921	342 586	353 883	416 345	429 450	429 450	459 330	571 124	664 217

2.10 Municipal manager's quality certificate

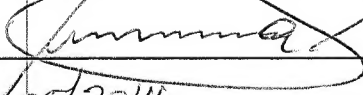
I, Luvuyo Mahaka, municipal manager of Mbizana Local Municipality, hereby certify that the annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Print Name

LUVUYO MAHAKA

Municipal manager of Mbizana Local Municipality (EC443)

Signature



Date

30/05/2014